

FOOTBALL
Hans
back to
sharp
attack



SCHWARZKOPF

His stormin'
days are over

Modern Times, page 14



EGYPT

Death on
the Nile

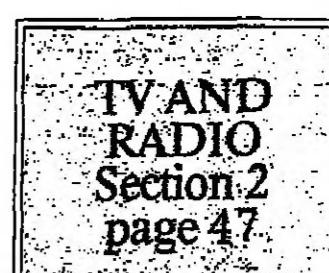
Modern Times, page 15



CRICKET

Pyjamas or a load
of old flannel?

Section 2, page 48



TV AND
RADIO
Section 2
page 47

No. 64,471

FRIDAY OCTOBER 23 1992

45p

THE TIMES



Eggs hurled at Queen during Bomber Harris protest in Dresden



Recalling the past demonstrators outside the church in Dresden yesterday where the Queen and the Duke of Edinburgh attended a remembrance service for the 35,000 victims of the allied bombing raids of 1945



Stalin gave Katyn order

Evidence obtained by *The Times* in Moscow proves for the first time that Stalin, above, was personally involved in the massacre of thousands of Polish officers at Katyn in 1940.

Laurent Beria, Stalin's chief of secret police, sought and received from his leader permission for "the highest measure of punishment — death by shooting" for "a large quantity of former Polish officers" held in prison camps.

Page 16

BCCI fraud forces banking crackdown

By NIGEL BENNETT
AND PHILIP WEBSTER

NORMAN Lamont, the Chancellor, yesterday announced a package of banking reforms in response to damning criticism of the Bank of England in the official report on the closure of the Bank of Credit and Commerce International.

Lord Justice Bingham's report on BCCI, published earlier in the day, denounces the regulation of the bank as "a tragedy of errors, misunderstandings and failures of communication". It says that the Bank of England ignored repeated warnings of fraud in the years leading to BCCI's closure in July last year.

Mr Lamont resisted demands to sack Robin Leigh-Pemberton, the Bank of England governor. He told MPs that he had "every confidence" in him after Gordon Brown, the shadow chancellor, said that the Bank had been a soft touch for BCCI.

Announcing the report to the Commons, Mr Lamont said that the government was introducing legislation that would give the Bank increased powers to close banks if they were not properly regulated. Mr Lamont has promised to ask other European Community members to pass similar laws.

The government is also setting up a committee to allow Britain's most senior regulators to exchange information on suspect financial companies, and is introducing laws to force auditors to hand over information to regulators.

■ Despite a damning report on the Bank of England's handling of BCCI, cataloguing a tragedy of errors, Norman Lamont is resisting demands to dismiss the bank's governor

on the suspect financial companies, and is introducing laws to force auditors to hand over information to regulators. The Bank of England is creating a special investigations unit to examine bank fraud, and a legal unit to ensure that the Bank uses all its powers against offenders.

"An effective system of banking supervision is essential to any advanced economy," Mr Lamont said. "The government is determined to learn all the lessons from this unhappy affair. We accept all the Bingham report's recommendations and we will pursue them vigorously." He said the report showed that there was no duplicity or bad faith on the part of the bank.

The Bingham report was commissioned by John Major two weeks after the closure. Lord Justice Bingham had unparalleled access to confidential files and minutes from the Bank of England, the BCCI auditors Price Waterhouse and BCCI itself. The 220-page report has been published in full, but the eight appendices have been held for legal reasons.

The Bingham report is far more damning of the Bank of England than MPs and the City had expected. Lord Justice Bingham makes clear that he thinks the Bank missed repeated opportunities to investigate BCCI and that there was a serious breakdown in communication between the Bank of England, BCCI's auditors and the Abu Dhabi government.

Bank of England officials have always said that they were stunned by a report from

majority shareholder, BCCI, was closed by the Bank of England and international regulators after the discovery of massive fraud. It had squandered more than \$10 billion in fictitious loans, unrecorded deposits and currency and commodity trading, then concealed the losses from regulators and auditors by falsifying its records.

The Bingham report was commissioned by John Major two weeks after the closure. Lord Justice Bingham had unparalleled access to confidential files and minutes from the Bank of England, the BCCI auditors Price Waterhouse and BCCI itself. The 220-page report has been published in full, but the eight appendices have been held for legal reasons.

Hundreds of thousands of the bank's depositors in more than 60 countries have lost more than \$10 billion. Yesterday, a Luxembourg district court gave the go-ahead for a compensation package that promises to recover up to 40 per cent of their losses.

Bank of England officials have always said that they were stunned by a report from

Maastricht bill's early date sparks 1922 clash

By NICHOLAS WOOD
POLITICAL CORRESPONDENT

MORE details of the prime minister's new economic strategy emerged last night as he brought forward the date of his next clash on the Maastricht treaty with the Euro-sceptics within his ranks.

In a move suggesting that he is regaining his confidence after the battering he has taken over the past five weeks, he made clear that the bill ratifying the treaty would return to the Commons before the end of next month. The prospect of the bill's making an early return sparked a fierce dispute at last night's meeting of the backbench Tory 1922 committee.

The report criticises Price Waterhouse for not passing on all the information it had gathered, and says that the Abu Dhabi government should have revealed details of a confession by Swaleh Naqvi, the bank's former chief executive, in April 1990.

However, it says that the Bank of England was right to close BCCI when it knew the full extent of the fraud. It clears the government, saying: "The conduct of Treasury officials and ministers is not in my view open to criticism."

Touche Ross, BCCI's liquidator, said last night that it was examining the report to see if it could take legal action against named third parties.

Bank condemned, page 5
Letters, page 17
BCCI lessons, page 29
City Committee, page 29

disclosed that pioneering new schemes aimed at attracting private sector finance for big infrastructure projects are being drawn up in Whitehall in response to the prime minister's search for bold measures to end the recession.

Ministers are said to be examining urgently options that would boost growth, jobs and the recovery by using public sector grants to pump-prime the building of new roads and bridges and the purchase of new railway rolling stock.

Downing Street sources said that John Major's emphasis on the importance of protecting capital projects during the toughest spending round for a decade had "energised" government departments in their search for novel ways of keeping afloat programmes seen as essential for reviving the building industry and creating a wider prosperity.

Ministers at the environment and transport departments are understood to be taking the lead in finding ways to revive the talks.

Jeering mars royal bid for reconciliation

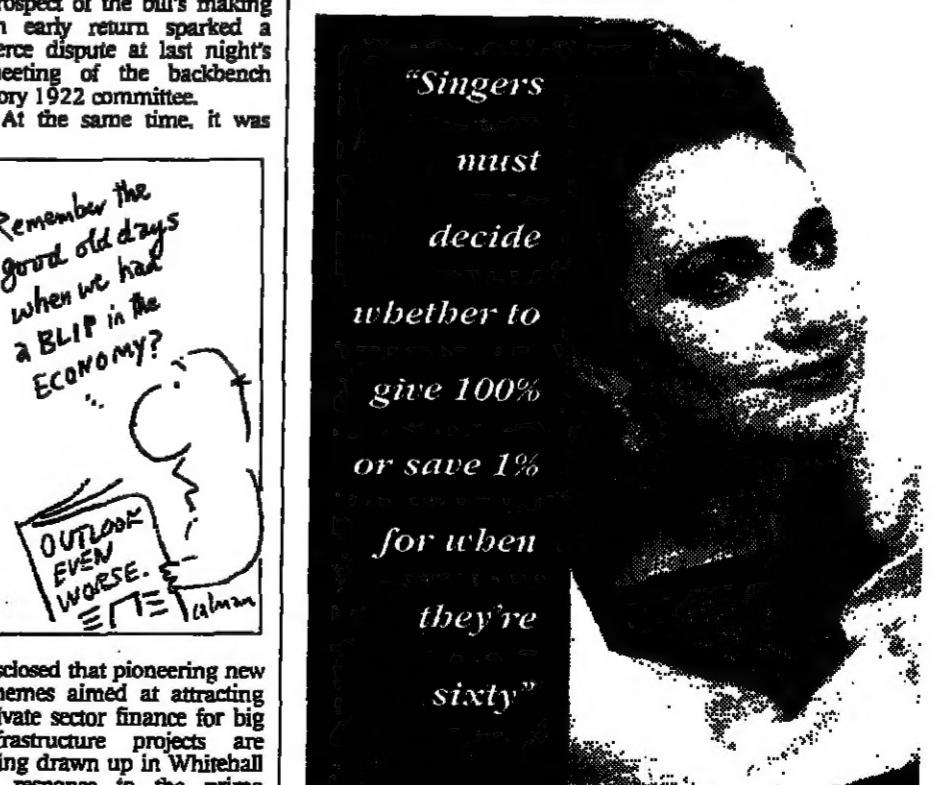
FROM ALAN HAMILTON IN DRESDEN

THE three student protesters among the crowd of 5,000 in the city square of Dresden were nothing if not polite as they awaited the arrival of the Queen. Sober-suited and with respectable haircuts, they unfurled their crudely painted black-and-white banner and hoisted aloft the sardonic message: "Reconciliation — With Harris?"

Near the front door of the eighteenth-century Kreuzkirche, one of the city's main churches, a group chanted: "Weg mit Harris" (Away with Harris). One placard in blood-red paint read: "Remember 13-14 February, 1945" — the date of the Dresden raid. Another said: "253,000 Victims of the Anglo-American Bomb Terror." A few boos

Continued on page 2, col 3

Leading article, page 17



Oxford men on standby for a call to court of King Clinton

FROM MARTIN FLETCHER IN WASHINGTON

PRESIDENT Bush has missed no opportunity to malign Oxford during his election campaign, but if Bill Clinton wins the city of dreaming spires will be laughing last. The ancient university could well have four alumni in the upper reaches of America's next administration, not to mention the president himself.

Mr Clinton met two of his campaign's top advisers when they were all Rhodes scholars together. Robert Reich, now a Harvard lecturer and author, went up to University College with Mr Clinton in 1968, and both subsequently went on to Yale law school.

Ira Magaziner, a business consultant and industrial

theorist, went to Balliol in 1969. Both can expect to have top economic or domestic policy jobs in a Clinton administration.

Another Oxford friend was Michael Mandelbaum, now one of Mr Clinton's foreign affairs advisers in line for a senior State Department job.

Completing the "Oxford circle" is George Stephanopoulos, who went to Balliol in 1984 and who is Mr Clinton's communications director, head spin doctor and counterpuncher-in-chief. Although only 31, he would be assured of a similar role in a Clinton White House.

While at Oxford Mr Clinton also met a visitor from Yale

Major puts Gatt blame on French

FROM GEORGE BROCK
IN BRUSSELS

A WAR OF WORDS flared last night between Britain, France, America and the European Commission over responsibility for a breakdown of farm trade talks and the bleak prospects for concluding a new world trade treaty.

As US negotiators left Brussels after concluding that "no agreement between the US and EC is possible at this time" John Major criticised Roland Dumas, the French foreign minister, and called for a report and sought ways to revive the talks.

Boost for Perot, page 12
First Lady elect, page 16

Trade war looms, page 12
Leading article, page 17

GRAMOPHONE

The Review
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NOVEMBER ISSUE ON SALE OCTOBER 16TH

Arts	37-39
Births, marriages, deaths	18
Concise Crossword	18
Court and Social	18
Crossword	24
Law Report	43
Leading articles	17
Letters	17
Sport	44-48
Weather	24
Television and Radio	47

43



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As Major climbs the first peak, he finds more mountains ranged ahead

Economy sets the toughest challenge for cabinet

■ The Major government is no longer in intensive care but it still faces several big tests of its political health

By PETER RIDDELL, POLITICAL EDITOR

JOHN Major has stopped the haemorrhaging this week, but his government is still a long, long way from recovery. It is too soon even to say that convalescence has started. The government faces several searching tests of its authority over the next few months.

Nothing of substance has changed this week. Key decisions have still to be taken on the economy, or have been deferred in the case of pit closures. This issue will rumble on until the new year when the government will have to make its case all over again if it wants to press ahead with the closures.

What Mr Major has done has been to assert his leadership and to show that the government is responding to public concerns. He has offered Tory MPs a new growth strategy. But the shift has so far been mainly of language. During another robust performance in prime minister's questions yesterday, Mr Major was careful to stress that no action would imperil the published inflation objectives. That leaves open what the new economic policy will mean in practice.

The economy remains the main hurdle facing the government. The fall in the pound and lower interest rates should work through next year. Meanwhile, further waves of redundancies will ensure that MPs remain unsettled.

The first immediate headache will be the autumn statement from Norman Lamont, the Chancellor, on November 12. Senior ministers are emphasising how tough the statement will have to be to keep the total below £244.5 billion, even if there is likely to be an off-budget loophole for privately financed infrastructure projects.

There will no doubt be loud protest about changes in some non-pledged social security benefits, in training budgets and about cuts in defence spending. Mr Lamont will hope to offset the pain both by presenting the measures as a recovery package and by pointing to lower interest rates. The main challenge is likely to arise over the 0 to 2



Interest rate cut offers Major the best chance of revival

By ANATOLE KALETSKY

A BIG cut in interest rates seems by far the likeliest sweetener for the tough programme on public spending and wages the Chancellor is likely to announce in the Autumn Statement. It would also be the most powerful component in Mr Major's new strategy for growth.

How big the cut will be is a question that only the prime minister can answer. The main implication of the government's new policy direction is that such key decisions will be taken for the moment by Mr Major himself and not by the coterie of Treasury advisers, whose Svengali-like hold over the prime minister seems finally to have been broken by the events of the past week.

The most dramatic test will come next month with the start of the committee stage of the Maastricht bill. While most Tory MPs will support the bill, many are likely to be resentful at the long drawn-out process.

The dramas at Westminster have distracted attention from the commitment of British troops to safeguard humanitarian aid to Bosnia.

All these hurdles mean that the Tories are likely to remain unpopular in the polls for some time and will probably face a rough time in next May's local elections and in any parliamentary by-elections.

■ Despite the gloom, John Major has several trump cards to play in his efforts to restore confidence and morale

After the expectations built up in the past few days, a smaller cut would be seen as a disappointment and might actually undermine confidence among consumers and international investors in sterling. But the bigger cut of three percentage points or more that former supporters of the high-interest ERM regime have suddenly started demanding could be irresponsible.

A two-point cut in base rates, coming on top of the two points already trimmed off, would have enormous benefits. Businesses and consumer borrowers would gain directly from the four-point cut, provided the banks could be persuaded not to increase margins. But the main benefits would be for homeowners. Base mortgage rates would probably be reduced by a further 1½ points to 7½ per cent. That would be the lowest

level for 23 years and many homeowners with discounts for large loans or special first-time buyers' rates could enjoy the lowest rates on record.

Combined with the 1½-point cut already announced by building societies, the post-devaluation monetary easing would reduce the payments on a £50,000 mortgage by £125 a month or £1,500 a year. To someone on male average earnings of about £20,000 a year, that would be equivalent to a pre-tax pay increase of £2,273 or 11.4 per cent.

Among the other recovery measures the government might be ready to announce on November 12 is some form of additional assistance for the housing market. Building Society chiefs have been telling the Treasury that interest rate cuts may not be enough on their own to lift the bearish psychology among home buyers.

With the additional spur of lower interest rates, a competitive pound and government infrastructure spending, the nascent economic recovery would probably become visible by mid-winter or early spring. If unemployment began to stabilise and then fall by the summer, Mr Major would be off the hook politically and could look forward to a surprisingly calm — and long — prime ministerial career.

Treaty becomes a personal crusade

By PHILIP WEBSTER, CHIEF POLITICAL CORRESPONDENT

RATIFICATION of the Maastricht treaty has become a personal crusade for the prime minister. He has said enough in private and public recently to leave no doubt that he regards it as an issue of confidence in his leadership.

He has told friends that if people do not trust him on Europe they had better find someone they do trust. It is a question of reality. Mr Major is no Euro-fanatic but he wants Britain to be at the heart of European decision-making where its voice and influence can be felt.

Mr Major is effectively stalling his premiership on getting the bill through but the signs are that he will not be put to that test. The parliamentary arithmetic is on his side.

The Commons second opportunity to debate the principles of Maastricht will be on Wednesday week and the bill itself late next month.

Mr Major knows that he cannot get it through without

the tacit support of Labour. John Smith has secured overwhelming endorsement from the national executive, shadow cabinet and party conference. Labour MPs can be almost sure that the party line is: Many will rebel, along with 35 Tory MPs, but not enough to defeat the government.

The move will be fiercely contested by groups such as nurses, doctors, the police and teachers, with nurses in particular getting widespread public support. Health service ancillary workers, who are most vulnerable to pay freezes, may well exploit the government's capitulation over the pit closure programme by taking industrial action.

A political dispute is also expected if the cabinet decides to suspend the pay review bodies. These bodies, covering 1.3 million workers including nurses, doctors, the armed forces, teachers and top civil servants and judges, have awarded workers more generous rises in return for a no-strike pledge. The prime

minister is obliged to accept their recommendations unless there are "clear and compelling reasons" not to do so. Some ministers now argue that it would be better to suspend the review bodies to maximise savings on the pay bill and to ensure that all workers share the pain of a virtual pay freeze.

Many Conservative MPs are bracing themselves for cries of outrage from constituents, possibly worse than the protests after the first poll tax bills landed on doorsteps, as councils prepare to let residents see the valuation band allotted to their homes for the purposes of the council tax within the next six weeks.

Michael Howard, the environment secretary, is fighting hard in the public spending round for £2 billion to help ease in the new tax next April. How far he has succeeded will become clear next month when he announces the rate support grant.



Smith: party supports pro-Maastricht line

Jeering mars royal reconciliation bid

Continued from page 1

In parts of Africa they're not complaining about the weather, they're dying from it. In normally fertile Zimbabwe, the rains did not come, the crops have failed and the livestock has died.

Despite the fact that war and famine in Somalia have made the front page, the crisis there continues. In Somalia, Sudan, Eritrea and Ethiopia 20 million people face starvation.

Christian Aid is sending food, seeds and tools, but much more is needed. Please give what you can. And prove the forecast wrong.

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memorials about the Anglo-American bombing, without any mention of what the Soviets did." His companion was less charitable: "The Queen should come here to kneel and pray, like Willy Brandt did at the Warsaw ghetto, instead of just waving at us."

Inside, the Kreuzkirche is as stark as a rough-hewn cave, its walls of bare cement devoid of any richness of decoration. Those who rebuilt it after the war chose to leave it in such a state as a memorial to the terrible night of the fire storms. Nearby is the Framerkirche, another of the city's great churches, left untouched as a pile of blackened rubble. As the Queen drove past, it, peace campaigners held a vigil with lit candles in the hope she would notice.

The Queen, the duke, the president, and Kurt Biedenkopf, minister-president of Saxony, entered the church to a thundering organ and the sweet echo of the cathedral

choirs of Dresden and Coventry. Prince Philip read part of the Beatitudes in German while Herr Biedenkopf read the remainder in English. Two German priests recited the Coventry Litany of Reconciliation which begins: "All have sinned and fallen short of the glory of God."

Delivering a homily in German, the Right Rev Simon Barrington-Ward, the Bishop of Coventry, said: "This reconciliation must not lead to self-satisfaction with what has been done. Reconciliation is always for today. It calls for the sharing of the gift of forgiving love with others, near and far, beginning in our bitterly conflict-ridden Europe."

Bishop Johannes Hempel of Dresden, told the congregation, including the heads of state seated awkwardly on plain, modern chairs at the side of the chancel, that the Anglo-German relationship could help the two halves of his once-divided nation towards reconciliation with each other. However, he sounded a warn-

ing that there was "a new militant nationalism around, which is not Germany's problem alone".

Bishop Barrington-Ward carried the church's cross made from nails from the bombed roof of Coventry Cathedral and placed it on the altar. The cross normally resides in a side chapel of the Kreuzkirche, and prayers for peace are still said before it every Friday.

At the end of the 45-minute service, the royal party re-emerged into the sunlit square, where the predominantly friendly crowd had been listening over loudspeakers. But the Queen had no chance for sight-seeing. She was whisked straight off to the railway station for a one-hour ride to Leipzig. She visited the city's Nikolaikirche and was mobbed by an excited crowd during a walkabout in the centre. You could have been forgiven for thinking Michael Jackson had come to town.

Leading article, page 17

Westminster wallies flock to fool's paradise

BY PETER RIDDELL
POLITICAL SKETCH

The duel between our political leaders is fast coming to resemble those early black and white movie comedies from the *Kingsman Cops* era, in which combatants vie with each other for title of Biggest Fool. You remember the sort of thing? Slapstick artist number one would advance on slapstick artist number two, raise his axe above his head, overbalance, and fall backwards whereupon his intended victim would step forward to strike, step on the end of the axe, and get whacked in the face. With both prostate in comes joker number three to finish them off — and falls down an open manhole.

Yesterday at PM's questions, John Smith fell down the manhole. Let me remind you of events leading up to this latest twist in our own saga of *Westminster Wallies*. Someone must have told the Labour leader that since Mr Major's style is wooden and his position awkward, a smirkingly smart-alecky little question from Smith would most discomfit him.

Advantage, we were about to say, John Smith. Mr Smith unveiled his shadow budget and the bucket above the door dropped on his head.

Advantage Major — or so it seemed on April 10. But the Dames let off a surprise stink bomb and President Mitterrand slipped on the soap. Bang went the ERM — an exploding cigar — leaving Mr Major with no eyewears.

Advantage Smith. So now comes Mr Smith's big moment: his rallying speech at Blackpool. A total bummer. Then Ken Clarke flings his lines and Norman Lamont attempts to combine a double somersault with a tight fiscal stance, and splits his trousers.

He cried: "Unwashed benefit-grabbing socialist anarchist who deserve a good slap and a wash."

"Quail, raven! Faced with the prospect of being slapped and washed by Mr Dunn, which of us would not stampede home on the double to a mock-Tudor semi in Tory Dartford?"

Ministers go for bold spending schemes

By JILL SHERMAN, POLITICAL CORRESPONDENT

Many trains passed over rail bomb

The bomb left on a north London railway line was placed under cover of darkness and exploded many hours later after dozens of trains had already passed over it.

The disclosures about what one minister called a "pan-Whitehall push" triggered by Mr Major's announcement of a more expansionary economic policy on Tuesday came as the prime minister sought to reassess his authority over his party in the wake of the turmoil of the past month.

Evidently buoyed by the backing he has received from backbenchers and ministers for his changed economic stance, Mr Major made clear that he now feels strong enough to confront the Eurosceptics in his ranks.

The promised debate on the Maastricht Treaty Bill will be held on November 4 and line-by-line scrutiny by MPs will begin before the end of next month, well before the European Community summit in Edinburgh. Mr Major's Tory opponents have threatened "trench warfare" once the bill returns to the Commons and the government will find itself bogged down in weeks of marathon sittings. However, the prime minister will be able to go to the summit secure in the knowledge that he has honoured his pledge to begin ratification of the treaty.

In the Commons, Mr Major expanded on his decision to make growth and recovery, rather than the conquest of inflation, the beacon of economic policy. Amid Labour taunts that he had embarked on another U-turn, he also emphasised the importance he attaches to salvaging planned capital programmes from the public spending squeeze and to generating new ventures.

The prime minister presented his economic shift as a response to a bleaker economic outlook. Circumstances had "darkened" across Europe and beyond and that had to be reflected in economic policy. John Smith, the Labour leader, said that confidence in the prime minister was draining away and that he was working on the thesis that "a policy a day keeps backbenchers at bay".

Airlift resumes, page 13

Sarah Hogg's children are not "young" as reported in *The Times* on October 21. They are 19 and 22. We apologise for the error.

Drugged child was subjected to 'inhuman and wicked cruelty' after being abducted at funfair

Convicted paedophile jailed for killing and raping boy of 7

By BILL FROST

A CONVICTED child killer was given two terms of life imprisonment yesterday after admitting the manslaughter and buggery of Mark Tildesley, 7, who disappeared in June 1984 after visiting a fairground near his home at Wokingham, Berkshire.

Leslie Bailey, 39, of Hackney, east London, denied murdering the boy, whose body has never been found. The court was told that he was already serving a life sentence for the murder of a boy aged 6 after a homosexual orgy, and a further 15-year term for the manslaughter of a teenage male prostitute.

Mr Justice Hidden, passing sentence at Reading Crown Court, told Bailey that what he and other members of a paedophile ring had inflicted on Mark Tildesley in the hours before his death was "inhuman, wicked and totally harrowing". He said: "Your cruelty to this defenceless little boy just before he died was absolutely despicable."

Bailey, who had earlier been described as a social misfit of less than average intelligence, stood impassively in the dock as the judge added: "You are a public menace... a danger to young

boys. The sentence I pass is the only fit penalty in view of the dreadful nature of the crimes."

After sentence had been passed, Lavinia Tildesley, the dead boy's mother, spoke of her relief that Bailey had been jailed for life. "I'm glad he is behind bars for ever and cannot ever come out to do this to somebody else's child." She said that she would not be able to lead a normal life until Mark's body was found. She would never forgive Bailey for what he had done.

She was asked if she thought Bailey's sentence was adequate. "They should have hanged him," she replied.

John Nutting, for the prosecution, told the court that on June 30, 1984, Mark had asked his father for permission to visit the fair, promising to be home by 7.30pm. His parents never saw him again.

Earlier that day, Bailey and his lover, Lennie Smith, had driven from London to Wokingham to visit a friend who had a caravan near the fairground. The journey was a prelude to Bailey's induction to the paedophile ring, Mr Nutting said.

Once at the fairground, Smith left Bailey to find his friend, Sidney Cooke. Some

minutes later he returned with Cooke, who was holding a small boy by the hand. He appeared to be dragging back and was unwilling to be led. Mr Nutting said. The men took Mark to Cooke's caravan, where the child was forced to drink drugged milk and then subjected to multiple rape.

Bailey panicked after becoming worried that Mark's face had turned blue. He was not moving and had stopped breathing. Cooke reassured Bailey that the boy was only sleeping and that he would take the boy home. Mr Nutting said: "But in his heart of hearts Bailey knew Mark was dead."

Police investigating Mark's disappearance took hundreds of statements and spent thousands of hours searching for his body. Mr Nutting said:

"Mr and Mrs Tildesley endured a terrible ordeal during the extensive nationwide search. But eventually they were forced to reconcile themselves to the awful truth that Mark must be dead. However, why and how he had been killed remained a mystery."

The breakthrough in the case came almost seven years after the disappearance when Bailey's solicitors contacted



First victim: Mark Tildesley, left, was one of three boys to be abducted and killed by Leslie Bailey

Couple still wait for their son

By STEWART TENDLER, CRIME CORRESPONDENT

FOR eight painful years Lavinia and John Tildesley have waited for their son to come home. Even the sentencing of Leslie Bailey may not allow them to come to terms with their loss.

In the years since the couple found Mark's yellow bicycle chained to a fence close to a fairground near their Berkshire home, Mrs Tildesley has kept his bedroom ready for him. She has bought him and Christmas presents and

kept the stair light on every night because Mark did not like the dark. She has dreamed of the homecoming party that will never happen.

Mark was the baby of the family. His brother and sister were adults by the time he was born and he and his mother were exceptionally close. Mrs Tildesley last saw him as she prepared to go to work, cleaning at a local police station on June 1, 1984.

"Bye, bye mummy. I'll see you when you get back from work" were the last words she was to hear him say. She said later: "You just can't help thinking it's your fault for letting him out alone. But then you think, he was always out—up to the sweet shop or round the fair."

When police broke the news that Mark was dead Mr and Mrs Tildesley still found it hard to accept. Det Supt Mick Short of Thames Valley police said: "It was the most moving occasion. Mr Tildesley just looked at me, tears welling in his eyes. He said: 'Can you show me the body? I said I couldn't. He said: 'Unless you can show me the body I will not accept it.'

One of Mr Short's greatest regrets is that he can neither bring back their child nor find them a body to grieve over. "The longer it goes on the less chance we've got of finding it. But unless we find that body I doubt Mrs Tildesley will ever come to terms with what has happened," he said.

Det Supt Short said yesterday: "I'm glad he's behind bars. It's nice that he won't come out, because it's not safe if he does. But I feel I failed in that I have not been able to find Mark's body."



Long dream: Mrs Tildesley speaking yesterday

Verdict of suicide on £1.5bn heir

By JULIA LLEWELLYN SMITH

THE heir to a £1.5 billion business empire died after setting fire to himself, because his Hindu family would not accept his marriage to an Australian, a Westminster inquest was told yesterday, when a suicide verdict was recorded.

Dharam Hinduja, 22, the son of Srikrishna Hinduja, fled to Mauritius with his wife Nitochka Sargon, whom he had married in secret to avoid his family's disapproval.

Mr Hinduja, a British citizen, had been due to inherit his father's business empire, based on oil trading, financial services and export ventures. His father, a high-caste Hindu from a devout religious background, could not understand why he wanted to marry the Anglo-Indian Ms Sargon, even after she converted to Hinduism.

The inquest was told that the couple had married in January in London, but had felt unable to live together. Mr Hinduja left his wife in London to work in India but the couple were reunited in May in Mauritius.

They planned to travel to Australia but Mr Hinduja was upset by a local report that his family was coming to Mauritius to find him.

The couple decided to set themselves on fire in a suicide pact but when the moment came, Mrs Hinduja backed out. Her husband beat her to the bed, sprinkled the room with amyl acetate and set it alight but she freed herself.

When Mr Hinduja's family arrived on the island they found their son in hospital. They flew him by private jet to London, where he died a few days later of shock due to burns.

Scientist explores Martian challenge

By NICK NUTTALL, TECHNOLOGY CORRESPONDENT

A 21st century polar expedition which, unlike the missions of Amundsen and Scott, will be undertaken 450 million miles away from Antarctica's snowy wastes, has been planned by a British scientist.

Charles Cockell, a researcher at Oxford University, has set his sights on conquering the southern pole of Mars. "It is worthwhile for scientific reasons but also as a pure test of exploration and human endurance," said Mr Cockell, who is joining NASA next year. "Mars is the only other planet in our solar system with traversable ice caps."

He has identified a 40-mile route and, if the team is energetic, a longer trans-polar crossing, from photographs taken by America's Mariner 9 and Viking space probes between 1969 and the mid-1970s. A fast route would be crucial to the success of the venture, offering protection

from freezing Martian winds which can send polar temperatures down to minus 150C.

Mr Cockell is proposing to site the expedition's base camp on the edge of the martian ice sheet, an area of frozen carbon dioxide, water and dust. Here the mouth of Chasma Australis, a canyon, offers sheltered access to the plateau of the planet's south pole. Any journey would be far from easy. After about 185 miles, the canyon climbs and there are hazardous crevasses and gorges. On arriving on the fully exposed plateau, Mr Cockell is proposing a 60-mile dash to survive the icy winds.

Mars would have to be colonised before any assault could take place. America has plans to send men to Mars in 2019. Mr Cockell, who will be researching crop growing on Mars for NASA, said explorers could live on fruit and beans.

In the video, made partly while he was being interviewed under hypnosis, Mr Clarke contradicted much of the evidence he was later to give in court. The video, which was made before Browning's arrest and retained by West Mercia Police, was never mentioned to prosecution lawyers who prepared the case against Browning. Elements of Browning's case are now being investigated under the supervision of the Police Complaints Authority.

The timing of the hearing will be a matter for the Court of Appeal.

M50 killing case goes to appeal

THE conviction of a man serving life for the killing of Marie Wilkes on the M50 four years ago was referred to the Court of Appeal by the home secretary last night.

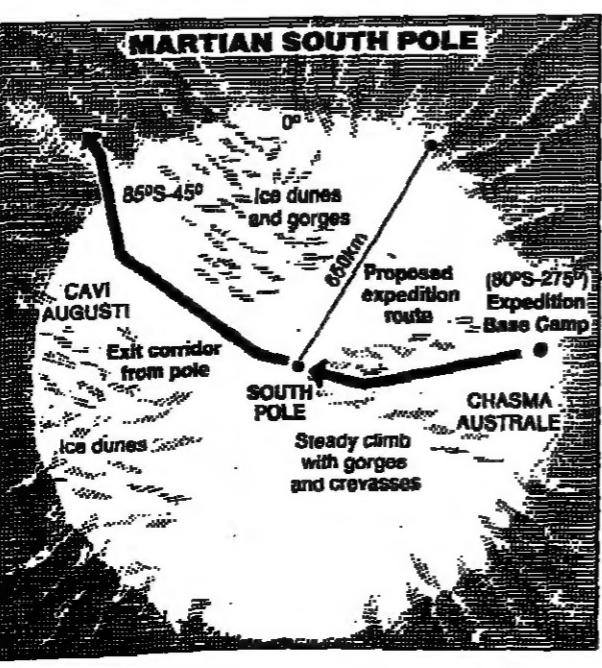
Edward Browning, a night-club bouncer, from Cwm-parc, Mid Glamorgan, is serving life for the murder of Mrs Wilkes, 22, who was seven months pregnant. She was killed after her car broke down on the M50 near Bushley, Hereford and Worcester, in 1988.

Leaving her two young children in the car, she walked along the hard shoulder to call for help from an emergency telephone. She was accosted by a motorist who cut her throat and drove her a few miles up the motorway before throwing her down an embankment to bleed to death.

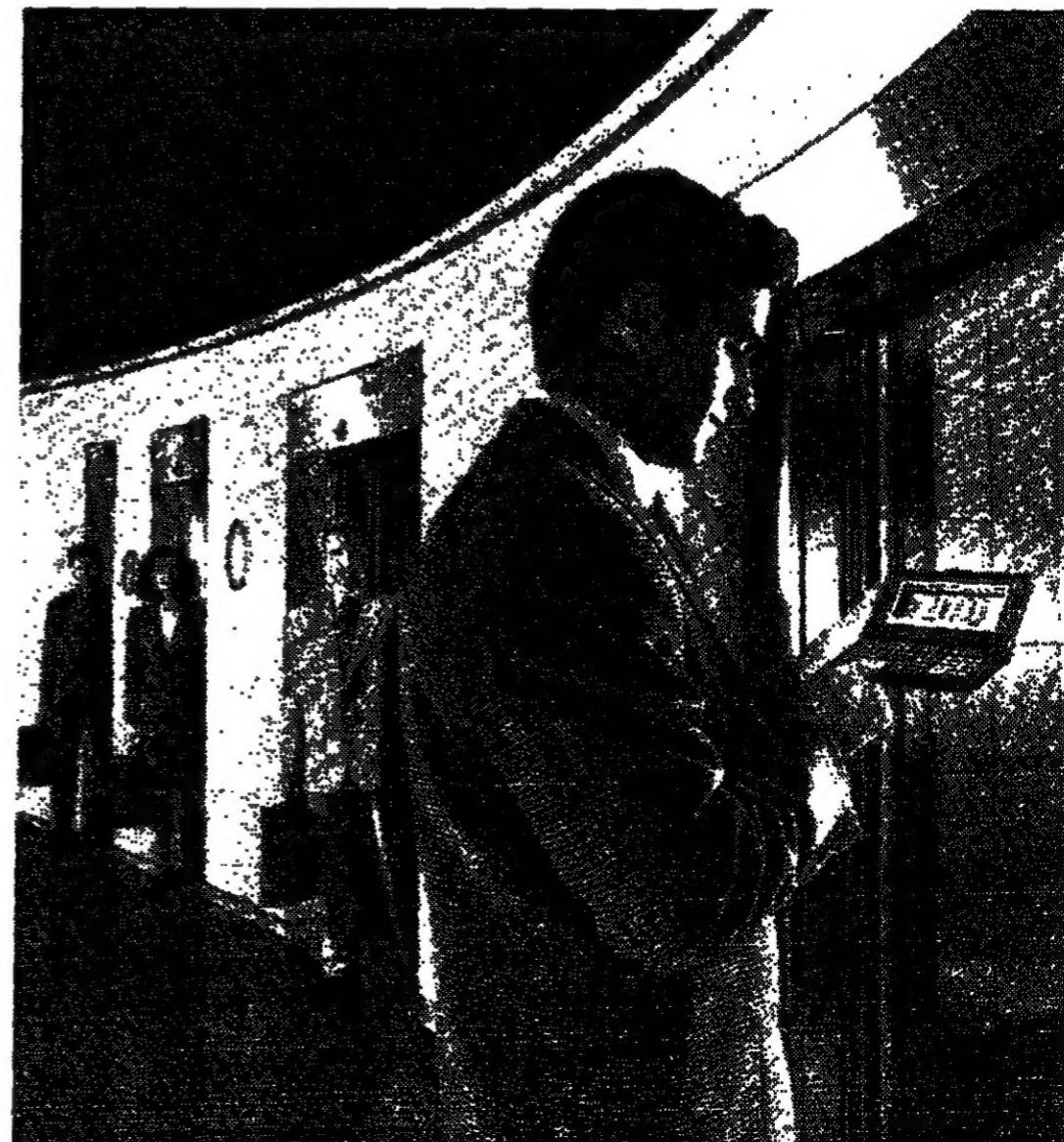
The Home Office said: "The conviction has been referred on the basis of video-taped material which was not disclosed to the defence before the trial." New evidence emerged in May about a video recording of a key witness, Police Inspector Peter Clarke, which cast doubt on Browning's conviction.

In the video, made partly while he was being interviewed under hypnosis, Mr Clarke contradicted much of the evidence he was later to give in court. The video, which was made before Browning's arrest and retained by West Mercia Police, was never mentioned to prosecution lawyers who prepared the case against Browning. Elements of Browning's case are now being investigated under the supervision of the Police Complaints Authority.

The timing of the hearing will be a matter for the Court of Appeal.



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NEWS IN BRIEF

Pavarotti offers BBC money back

Luciano Pavarotti yesterday admitted that he had been wrong to mime to the recorded sound of his voice in a concert that the BBC had assumed would be live.

The opera singer, who was in San Diego, California, for a performance, said: "What we did — once — we did wrong." He added: "If the BBC wants the money back, we'll give the money back."

The BBC said last week that it had paid to broadcast the two-hour concert from Modena, Italy, on September 27, assuming that Pavarotti would perform live. A spokeswoman said it was trying to get some of its money back. The amount paid was not disclosed.

Fire deaths fall

Fire deaths fell last year to their lowest for 20 years, mainly due to the use of smoke alarms, the Home Office said. Deaths dropped to 827 from 898 in 1990, but injuries increased by 5 per cent to 14,700.

Bone baby dies

Jordan Mann, the eight-week-old baby from Haverhill, Leeds, who was given a bone marrow transplant from his sister Charlene, 4, nine days ago, has died.

Church burnt out

Police are investigating the possibility of arson after fire destroyed the largest Mormon church in England, in Huddersfield, West Yorkshire.

Actress loses

A Los Angeles jury has turned down a claim by the actress Tracey Ullman for nearly £1.5 million in merchandising profits from the television cartoon series *The Simpsons*. She claimed that the animated characters had originated on her own series.

Westland cuts

Westland is to cut 139 jobs at its Isle of Wight aerospace division due to lower demand from civil aircraft companies.

Run aground

A floating picture gallery on the Cam at Cambridge has closed after 11 years.

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Section 57 (4).

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Bill Laidler, Headmaster, Aylesford School, Kent.

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Asian community condemns Bank of England over BCCI

■ Supervision of BCCI degenerated into a "tragedy of errors" which caused particular difficulties for one group of small businessmen, who remain bitter and distrustful

By MICHAEL HORSNELL AND JULIA LEWELLIN SMITH

THE Asian community was united last night in its condemnation of the Bank of England for its ineptitude in bringing the fraud-ridden Bank of Credit and Commerce International to book.

Businessmen and small depositors, reacting to the report of the enquiry chaired by Lord Justice Bingham, said that proper supervision of BCCI might have saved them their money and prevented a business crisis.

Ajinder Chawla, who 20 years ago established Nova of London, a wholesale clothing

business, in the heart of the East End's rag trade around Commercial Road, never had a cheque bounces in all that time. But after BCCI collapsed he spent days explaining his predicament to suppliers when cheques for up to £50,000 were being returned unpaid and suffered the ignominy of a freeze on some of his supplies of summer clothes.

He remembers well July 5, 1991, the day of the collapse because, half an hour before the bank's doors were shut, he paid in over £35,000. Mr Chawla, who employs a dozen

people, said yesterday: "I haven't words to express my bitterness about the way we have been treated. It's been a mess, I can tell you. The Bank of England should have acted much sooner on the information it got. If we had known what they knew we would have taken the account out of BCCI and put the money with a better bank. The Bank of England should have given a warning to the public."

After his brother and son gave their houses as collateral, security which was not already committed to BCCI, he was able to obtain alternative banking facilities.

In Bradford Sohail Bashir, 31, a company director who lost a "few hundred pounds" in BCCI, said: "I am one of the lucky ones. I didn't lose very much money. Others were not so fortunate and lost much more. The Bank of England acted ineptly and inefficiently in not looking out for dangers as they arose."

"They should have seen it before and acted more quickly. The Americans were asking for action 15 months before and nothing was done. They kept their eyes closed when they should have heeded the warnings."

Musa Vali, who owns DM Fashions off Whitechapel Road, east London, who lost £200,000 in the BCCI crash, said: "If the Bank of England knew, why didn't they inform us? Why don't they care about ordinary people? It wouldn't do them any harm to tell us why did they make an internal decision not to? I am very angry."

Saeed Ahmed, who owns Cira Cash & Carry, off Commercial Road, said: "They should pay for the damages, it's as simple as that. They must compensate all the people and businesses who lost money. We have had 18 months of hell. I don't know quite how much we lost, our case hasn't gone to court yet."

He added: "We are living on the edge. We have had to sell properties to pay the bank. So, there has been suffering. If they had warned us we would be in a totally different position. It's difficult to explain the suffering, it has been a nightmare."

Enquiry report, page 1
Letters, page 17
BCCI lessons, page 29
Business comment, page 29

Britain to woo Kohl over EFA

By MICHAEL EVANS
DEFENCE CORRESPONDENT

PROPOSALS to reduce the price of the £22 billion European Fighter Aircraft programme by up to 30 per cent are seen as the last chance to stop Germany withdrawing from the project.

The figures produced after a three-month study by Britain and the three other countries involved in the development phase, will be used to persuade Helmut Kohl, the German chancellor, to back the plane against the advice of Volker Rühe, his defence minister.

Herr Rühe said at a Nato defence ministers' meeting in Scotland on Tuesday that the promised cost cutting made no difference. The plane should be scrapped and remaining cash diverted to the design of a lighter and cheaper aircraft, he said.

But with defence ministers due to decide the future of EFA in early December, industry sources said yesterday that they expected the new cost-cutting figures to be waved at the Germans in the hope that Chancellor Kohl will overrule Herr Rühe.

Within the range of EFA's, the Germans could pick the cheapest version which would involve cuts of about 30 per cent (£36 million). This figure includes production tooling, the flyaway price of the aircraft and a ten-year support programme.

Coalition fights rail sell-off

By MICHAEL DYNES
TRANSPORT CORRESPONDENT

PLANS to break-up the national rail network will lead to higher fares and reduced services, according to a coalition of organisations calling on the government to rethink its rail privatisation plans.

Stay organisations, including charities and environmental bodies, have joined the anti-privatisation coalition. Platform, because of fears that the end of British Rail's passenger monopoly could bring a second era of Beeching-style rail cuts. Platform called for legal safeguards to ensure that fare rises were kept below inflation, stations and trains remained safe and accessible for all, and through-ticketing and discount fares were preserved.

■ InterCity, the national passenger network, yesterday stepped in to rescue Stagecoach Rail, a private-sector overnight seated service between Aberdeen and London, launched in May. Weak demand for overnight services forced Stagecoach to negotiate a reduction in the number of seats it leases from InterCity.

From November, InterCity will re-enter the overnight seated service between Aberdeen and London, a market it had withdrawn from in an effort to cut costs. Stagecoach will, however, offer overnight Glasgow-London seated services next month.

Theatre audiences ignore recession

By ALISON ROBERTS, ARTS REPORTER

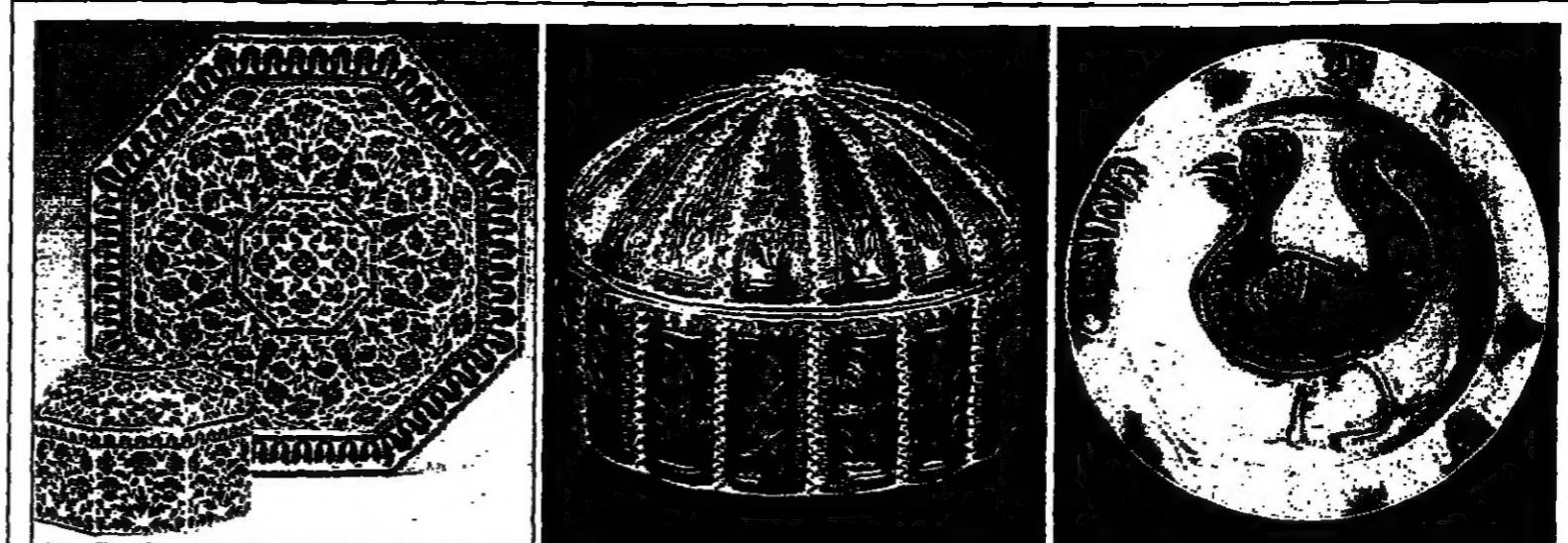
ATTENDANCES at some arts events have weathered the recession, but contemporary dance and jazz have suffered falling audiences, according to figures published by the Arts Council yesterday.

More than 10 million people went to the theatre over a two-year period ending in March 1992 and almost as many went to an art gallery. Attendance figures for both were down very slightly on the previous two year period.

Box office sales for opera and ballet are also holding up, with a shared audience of almost six million people. But jazz attendance was down by 7 per cent and modern dance performances sold 13 per cent fewer tickets.

Lord Puttnam, Arts Council chairman, said that in "troubled and uncertain times" the arts should be more important than ever. "I am an optimist, but my optimism is not blind. The certainties that we seek in these troubled times will be made manifest in the excellence of our artistic life," he said.

The Arts Council has itself



Collector's items: early 18th century enamelled gold box and tray set; a gold box set with emeralds; and a 13th century "Lakabi" plate

Offer of Islamic treasures splits art world

By SARAH JANE CHECKLAND
ART MARKET CORRESPONDENT

CONTROVERSY has erupted in the art world over a campaign to persuade the government to house the world's biggest Islamic art collection, said to be worth £1 billion.

The campaign was launched last night after Dr Nasser David Khalili offered to display his collection in Britain if the government would meet the cost of exhibiting it in central London. He threw a launch party at the Foreign Office with Lord Young of Graffham, the former trade and industry secretary, who is chairman of the Nour Foundation that owns the collection.

The controversy surrounds the conditions that Dr Khalili is seeking. The current issue of the *Independent Art Newspaper* carries an acerbic leading article under the headline "Why Britain doesn't need a Khalili museum". It says: "His requirements are not modest. He would like a building in the centre of London of 3,500 to 5,000 square metres, acquired, staffed

and maintained at the expense of the British government. In exchange, he would exhibit his collection there for 15 years, keeping the freedom to exhibit it around the world, and buy and sell from it."

"Between the British Museum and the Victoria & Albert Museum, London already has the finest displays of Middle Eastern art in the world. A far more significant gesture towards Britain's 2.5 million Muslims would be a hefty grant for the proposed Indian museum in Bradford, which the V&A wants to display the nation's holdings of Indian art."

Some London dealers and museum curators are querying whether Dr Khalili is motivated mainly by altruism or if there might be an element of vanity or profit. One said: "It may sound cynical, but one way of

says that he bought the pieces "on the Western market" over the past two decades and that the collection is worth £1 billion. "I had a vision and, with God's help, it has been realised," he says in a brochure being circulated by the PR company Bell Lowe.

Dr Khalili says that his vision is to open the world's eyes to the art of Islam and to persuade Jews, Christians and Muslims to speak openly to one another and to see clearly the close cultural, social, spiritual and intellectual ties that have existed between them for centuries". Dr Khalili and Lord Young say they hope the government will offer to house the collection for 15 years, whereupon a longer term contract could be struck.

Dr Khalili, 46, is an Iranian Jew whose father was an art dealer in Tehran. After becoming an American citizen, he settled in London in 1980. He has an English wife and three children. From the mid 1970s to the mid 1980s he operated as a dealer in Clifford Street, central London. He says that he made his money in art dealing, property and commodities.



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Tomlinson report on health care

Help patients and GPs 'by shutting London hospitals'

By JEREMY LAURANCE
HEALTH SERVICES CORRESPONDENT

THE long-awaited Tomlinson report will say that the capital has too many teaching hospitals, too many specialist units for such services as kidney dialysis and plastic surgery and too many research hospitals. Demand for hospital services would be reduced, it will say, if GP-run services based in local communities were improved.

The report, the result of a year-long enquiry by Sir Bernard Tomlinson and his three-strong team, will seek to explain why, if London has too many hospitals, there is no room in any of them. It will answer this paradox with another by recommending that the best way to help patients waiting for operations and GPs searching for empty beds is to close hospitals.

The report will consider how London's health service should be reshaped to meet the demands of a shrinking but ageing population for more "low-tech" community care. It will be the twentieth report published in the last

■ After months of rumours, Londoners will learn today which teaching hospitals are to be recommended for closure

100 years to identify such problems but unlike the previous 19 it is certain to bring about change because of the effects of the NHS market.

Sir Bernard will warn the government that if his plan is not implemented, hospitals will close as they lose out in the competition for patients. His report was commissioned by

the former health secretary, William Waldegrave, last October when it became apparent that the NHS market would have rapid and destructive effects in London because too many hospitals were competing head to head.

The report will chart a way forward for London within the health care market and make a judgment about the capital's health needs. One striking feature is its call for a return to the planning of services as under the pre-reform NHS, rather than letting the market take its course.

Guy's provides a good example of how a London teaching hospital with an international reputation provides a poor service to its local population. It has 850 beds, 100 for psychiatric services. A further 150 are allocated to such specialties as heart surgery serving the whole region and beyond. Of the 600 beds remaining for general ser-

vices, just over a third are used by patients from other districts.

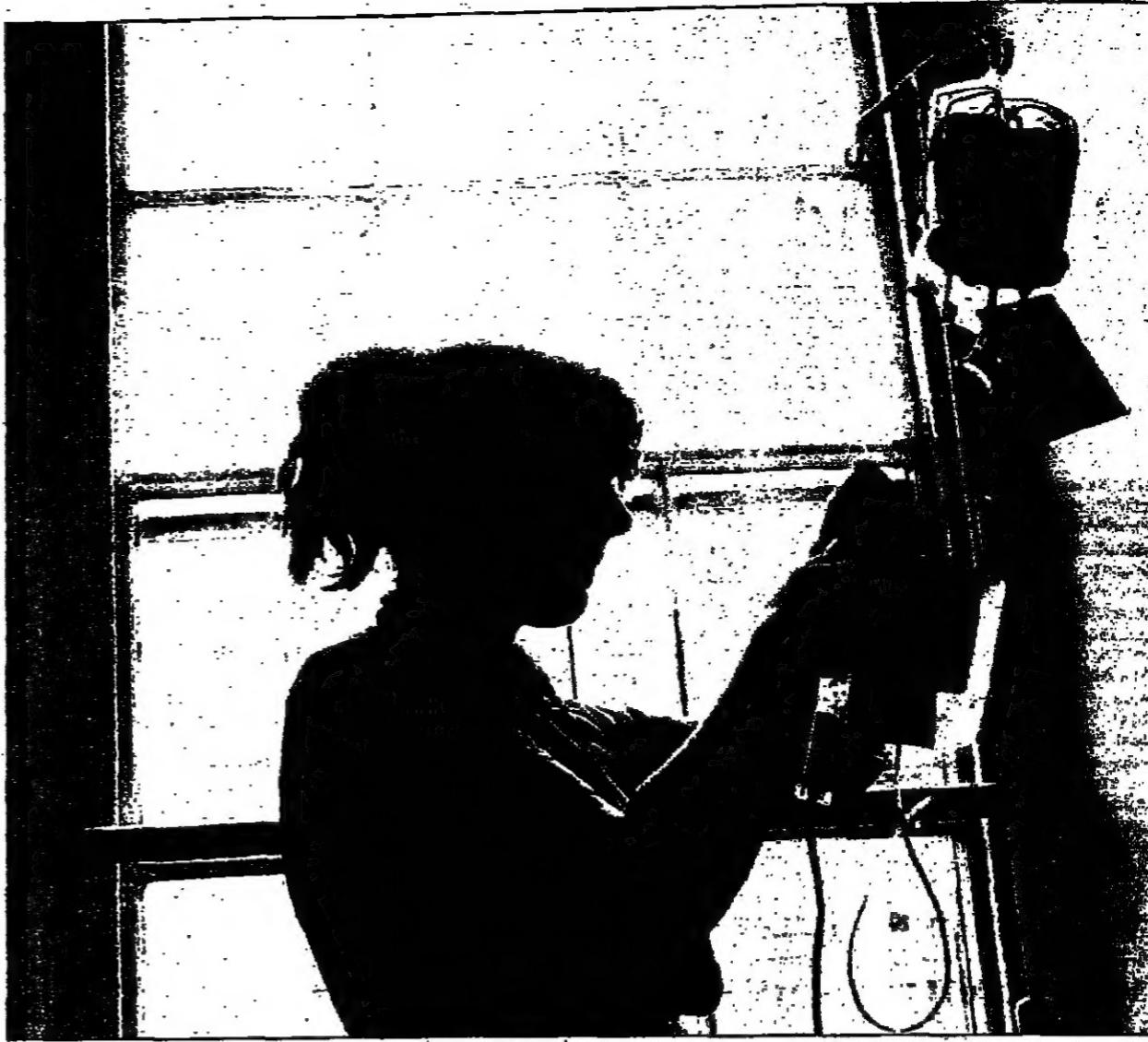
That leaves 390 beds for local people of which 90 are permanently blocked by elderly patients awaiting nursing home places. Guy's thus provides only 300 beds for local acute work, about half as many as the average district general hospital, and local GPs complain of the difficulties of getting the ordinary sick person into hospital.

Sir Bernard will argue that by closing hospitals, those that survive will run more efficiently. Many have more beds than they can afford staff and their high overheads are swallowing scarce resources. Cutting back on specialist units and merging research departments would free more beds for local patients with ordinary needs. Closing hospitals would release resources to improve GP services.

The programme of closures and mergers will take years to implement and cost hundreds of millions of pounds but Sir Bernard will emphasise that some decisions must be taken quickly to reduce planning blight.



Tomlinson: wants cash switched to GPs



Ailing health: the Tomlinson report says that hospitals will lose out as competition for patients increases

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Unique centre offers vision for the future

By ALICE THOMSON

THE outside looks like a petrol station. The inside looks more like a jolly primary school, with pictures on the walls, goldfish tanks in the corridors and people playing the piano. This is the Lambeth community care centre in south London, which should be a model for the future, according to the Tomlinson report.

It is the only primary care centre of its kind in Britain. Sir Bernard Tomlinson spent a day there before making his report. It provides a day service for local people wanting to see occupational therapists, chiropodists, speech therapists, physiotherapists, social workers and dentists. It also has an in-patient unit for non-emergency cases.

John Bradshaw, senior administrator, said: "When they closed down, Lambeth hospital in the seventies there was a real hue and cry from local residents. The hospital was considered part of the community and no one wanted to have to go to St Thomas's for routine services. So local people decided to set up their own centre ten years ago."

"The Department of Health refused to finance the project, so it was funded by the inner-city partnership. After a year, the local health authority was so impressed they took it on board."

The centre is operated on a GP referral basis. There are 14 practices within a mile and 48 GPs who refer patients. Once the patients are referred, the GPs must agree to provide 24-hour cover in case of emergencies.

There are 20 residential beds and a day unit for up to 15 people. The centre has 7,000 patients and sees 1,000 new ones each year.

The three categories of residential patients admitted are acute medical cases such as strokes and chest infections; terminal cases such as Aids and cancer patients; and respite cases — home-bound patients who come for a couple of weeks to give their carers a rest.

Dorothy Vandenburg, 80,

who has heart problems and is diabetic, is staying at the centre while her daughter is on holiday. She said yesterday: "I was in a hospital last time and they wouldn't let me out of bed. Here we get out and about and know everyone."

See Greenway, a senior nurse, said: "It answers a real need and frees hospital beds for more acute cases."

Downstairs, in the day room, Phoebe, 75, said: "I come here once a week for treatments. It's something to look forward to. I see friends and have a decent meal."

Ian Noble, the senior physiotherapist, said: "The pa-



Informal care: John Allen, 80, at the centre

tients are more relaxed here because they see the same faces each time they come. We have a waiting time of ten minutes and the atmosphere is much less frightening than a hospital. If they tell me that their back is stiff because they are worried about affording their council tax, I can immediately refer them to the next door room to see the social worker."

Residential patients stay an average of two weeks. The centre has no psychiatric, casualty or paediatric facilities and no in-house GP. Patients are looked after by a team of 19 nursing staff.

Mr Bradshaw said: "We have no high technical costs and no resident medical staff so it is much cheaper than a hospital. The only drawback is the building cost."

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Lord Chancellor's proposals for fixed fees are ill-judged, solicitors' leader says

Law Society tells Mackay to think again on legal aid

By FRANCES GIBB, LEGAL CORRESPONDENT

THE president of the Law Society yesterday described proposals for fixed fees for legal aid as "ill-judged, ill-planned and ill-structured". Forty-eight hours before the Lord Chancellor, Lord Mackay of Clashfern, gives a keynote speech on legal aid to solicitors at their annual conference in Birmingham, Mark Sheldon urged him "in the name of one profession to think again".

If the Lord Chancellor's "crudely structured proposals" were not intended to be a cost-cutting exercise, Mr Sheldon asked, "why is the Lord Chancellor so desperately keen to introduce this scheme so soon?" He called on Lord Mackay to await the report of the Royal Commission on Criminal Justice in nine months' time rather than implement the proposals by the end of this year.

The commission would recommend fundamental changes in the way that defence lawyers worked and these

Demands for end to secrecy

A RADICAL overhaul of the legal system was demanded by Lord Alexander of Weedon, a former chairman of the Bar and now chairman of the law reform group Justice (Frances Gibb writes).

"We cannot as a society, whether from private or public funds, afford our current legal system," he told the conference. The public was "increasingly disenchanted" and wanted change.

"This calls for us to move as far as we can away from the predominantly adversarial, formalised structures towards the co-operative, conciliatory approach," he said.

He called for a "cards on the table" approach, with defendants required to reveal in advance any defence they intended to argue at trial. Defendants should also have to give advance warning if they intended to challenge an admission as fabricated, Lord Alexander said.

Such reforms would improve the chances of revealing the truth, would be fair to the accused and the public and would shorten trials.

Exhausted Spassky wins plea for a rest

By RAYMOND KEENE, CHESS CORRESPONDENT

BOBBY Fischer failed to press home his advantage in the 23rd game of his chess championship match against Boris Spassky in Belgrade on Wednesday night. A draw was agreed after eight hours and the match has been postponed until tomorrow after Spassky pleaded exhaustion.

Fischer leads by eight wins to four, with eleven draws. He needs two more wins to clinch the \$3.35 million prize.

The 23rd game, with Fischer playing white, initially developed in his favour. The opening continued their series of Sicilian defences. By the 21st move, Fischer had established his pieces in the heart of Spassky's position and this pressure resulted on the 36th move in the win of a pawn. Spassky fought hard and, when Fischer erroneously decided to return the pawn, Spassky must have believed, with justification, that he had done enough to earn a draw against the former world champion.

It was at this point that Fischer revealed what a determined mental warrior he is. Rather than acquiescing in the draw, he inaugurated a risky — some might say foolhardy — march, with his king penetrat-

ing deep into the black position. The point of that manoeuvre was to mop up Spassky's pawns, but Spassky got there first and the game resolved into an ending in which the Russian was in turn pressing for a win.

Doubtless suffering from the effects of exhaustion after the eight-hour marathon, with no pause for adjournment, Spassky, 55, committed a mistake on his 64th move that allowed Fischer to remove his last pawn. With its disappearance went Spassky's final chance of winning.

The match had been due to resume last night but Spassky obtained a doctor's certificate enabling him to put off the 24th game for a day.

Game 23

White	Black	White	Black
1 e4	c5	2 Nf3	d5
3 Nc3	g6	4 Bb5	g7
5 d4	h6	6 Bg5	Kf8
7 Nf3	h5	8 Nbd2	h4
9 e5	g5	10 Nc4	g4
11 Nf5	f5	12 Nc3	f4
13 Nf6+	e5	14 Nxe5	g3
15 Ne7	Re8	16 Nf7	Re7
17 Nf5	Qd8	18 Nf7	Qd7
19 Nf6	Rd8	20 Nf7	Rd7
21 g3	Rd5	22 Nf6	Rd6
23 Rf1	Rf6	24 Nf5	Rf7
25 Rf4	Nf6	26 Nf6	Nf5
27 h4	Qd5	28 Rf4	Qd4
29 Rf3	Nf4	30 Rf2	Nf3
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47 Nf5	Qd5	48 Nf6	Qd4
49 Nf6	Qd5	50 Nf5	Qd4
51 Nf5	Qd5	52 Nf7	Qd7
53 Qd5	Qd5	54 Nf7	Qd7
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MPs to have
independent
review of
energy po

FALL OCTOBER

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THE TIMES

THE TIMES FRIDAY OCTOBER 23 1992

COAL INDUSTRY 9

MPs to hold independent review of energy policy

By SHEILA GUNN, POLITICAL CORRESPONDENT

A TEAM of MPs began an investigation yesterday into the government's energy policy, including the pit closure programme, to run parallel with the review to be carried out by Michael Heseltine, president of the board of trade.

As the Conservative whips were celebrating their victory in Wednesday night's Commons vote, John Major told MPs that he could not give a guarantee that, during the 90-day period for consultations, coal mining would continue in the ten pits most at risk.

He said during prime minister's question time "it is necessary and it will be the case that those pits will be in a condition to resume coaling if, at the end of that period, it is determined that that is the decision and they shall do so. But during that period I can give no guarantee that there will be coaling."

Later, when the Labour MP Alan Meale challenged him to guarantee a moratorium on decisions affecting the industry, Mr Major said: "I think we have made it clear what happens during the moratorium and the fact that the 21 pits, apart from the 10 where there are special circumstances, will continue in the fashion that was set up clearly yesterday. I cannot and will not give you detailed assertions about matters that lie within the day-to-day management responsibility of British Coal."

In a series of televised



Meale: asked Major to give pit guarantees

Vote for coal wins all-party support

By PAUL WILKINSON

BY VOTING against the government in Wednesday night's pit closure debate, Elizabeth Peacock probably ensured that she will keep her seat in the West Yorkshire Tory marginal constituency of Batley and Spen.

Certainly the prime min-

ister's decision to punish her by sacking her as parliamentary private secretary to the social security minister has won her cross-party support among her constituents.

"It's not just come from her supporters in the party, it's everyone, Labour, SDP, the lot," said Mary Bentley, the MP's agent at her Cleckheaton offices.

Mrs Peacock, Yorkshire-born and renowned for the plain speaking that goes with her birthright, was marked for the dole queue at the general election last April, but held on instead, befitting the northern trend against her party to increase her small majority by 40 to 1,408.

Her stand against the closures programme was not born out of necessity for an MP in a mining constituency. Batley and Spen is a textile and light engineering community, although many still remember the last pit in the area closing after the war. That was long before she stole the seat from Labour in 1983 with a majority of 870. It has increased with each election.

Mrs Bentley said: "Mrs Peacock spoke out for what she believed was right, and her people respect her for that. Why should their representative be punished for saying what the public thinks. It's not done Mr Major a lot of good."

hearings, the Commons trade and industry committee, with six Tory and five Labour MPs, will question ministers, union officials, British Coal and electricity generating companies within the next two months and aim to produce a report by the end of January. Mr Heseltine is expected to give evidence next Tuesday and British Coal next Wednesday.

After a private meeting yesterday, the MPs said that they wanted to build on the work of the former energy committee by taking evidence on the long-term impact on the economy of running down the coal industry. Their terms of reference will be to "consider the consequences of British Coal's pit closure programme for the electricity consumer, the exchequer and the economy".

and to examine alternatives in terms of energy policy".

The trade and industry department will be required to make an official response to the report, although ministers are not obliged to carry out the recommendations. However, a highly critical report recommending, say, a Monopolies and Mergers Commission enquiry into energy prices, would be hard for the government to ignore.

Conservative who voted against the government on Wednesday said yesterday that they would continue their campaign against the pit closures. Nicholas Winterton, MP for Maclesfield, said: "We lost the vote, won the argument. We live very much to fight another day, there is a lot of principle at stake."

Kenneth Clarke, the home secretary, admitted that, although the government had won the vote, it had been left "very embittered". Winston Churchill, MP for Davyhulme and an earlier rebel, eventually voted for the government, but made clear that his future support depended on the outcome of Mr Heseltine's review.

Derelict areas to be given new life

By NICHOLAS WOOD
POLITICAL CORRESPONDENT

ENVIRONMENT ministers unveiled their contribution to reviving rundown mining villages yesterday by publishing a bill aimed at bringing back into use 150,000 acres of derelict land and buildings across the country.

Ministers made clear that the Housing and Urban Development Bill setting up a new umbrella body, the urban regeneration agency, would have a role to play in helping areas affected by pit closures.

The agency, headed by Lord Walker of Worcester, the former cabinet minister who is also co-ordinating Whitehall's efforts to soften the blow of pit closures, will take over the work of English Estates and administer existing grants for regenerating rundown areas in inner cities and beyond.

English Estates was given an extra £85 million on Mon-

day by Michael Heseltine, the president of the board of trade, to assist with the mining rescue operation.

The agency will operate like a rowing urban development corporation in partnership with firms, attracting private money to bolster public funds. Michael Howard, the environment secretary, is understood to be banting hard in the public spending round to win if enough money to make an impact.

The bill also contains a package of measures aimed at strengthening the rights of council tenants and giving leaseholders the right to buy their freehold at a market price. Mr Howard said that more than 750,000 people lived in flats on long leases. Some two thirds were dissatisfied with the way their landlords, often remote figures, went about carrying out repairs and maintenance.

The bill gives council tenants the right to convert their rents into mortgages.



In the open, dirty and unshaven, Roy Lynk announces that he may stand for re-election as UDM president

Lynk emerges to announce U-turn

By KATE ALDERSON

DIRTY, tired and limping Roy Lynk, president of the UDM, emerged from Silverhill colliery yesterday after seven days underground and announced that he may reverse his decision and stand for presidency of the UDM again if he gains sufficient support from his members.

Flanked by UDM officials he was greeted at the pit head by 50 cheering miners. His wife, two daughters and a grandson were among the first to greet him. He said: "I hope what I have done is a success. I think it is if it gives this pit, or any of the other 31, a chance."

"I know a leader should be consistent, but I'm under pressure to stand again for president. I know I have lost the support of some men. I shall have to consider my position very carefully."

Mr Lynk said he believed his stay underground, where he slept on a concrete floor, had won public support. He criticised the NUM: "If they want to march up and down the motorway making protests, let them. If people want to strike and lose redundancy pay, then follow Arthur."

Many of Mr Lynk's UDM members marched side by side with the NUM in London on Wednesday while he was

sitting below ground and some of his members had criticised his protest.

Mr Lynk said he understood that miners wanted to go to London to vent grievances and air their frustration. "I praised their men for going to the demonstration, but if I had gone I would just have been another face in the crowd. My protest here was unique." He had asked Mr Scargill to talk to him yesterday.

day, in a two-way radio debate, but Mr Scargill had declined. "I'm not so sure about building bridges with the NUM, but we could work with them on this occasion," he said.

"The government has forgotten that it is voted in by ordinary people. Never mind the political dogmas that they learned in Cambridge, they should come into the school of hard life and see what it's like."

The UDM would continue to press for a fully independent enquiry and a comprehensive national energy policy. Mr Lynk said there were markets for coal that the government had yet to consider.

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SAFEWAY

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Government seeks to tighten controls on immigration

By RICHARD FORD
HOME CORRESPONDENT

VISITORS to Britain and short-term students are to lose their right of appeal against refusal to enter the country in a proposal for a clampdown on immigration, announced by the government yesterday.

The crackdown on immigration rights was balanced by government concessions on the issue of asylum, which are designed to counter criticism from church leaders and refugee groups.

In a bill published yesterday the government bowed to critics of its previous proposals to curb bogus asylum-seekers and offered a right of appeal before removal from Britain to all applicants who are refused asylum.

In another concession, even those with an unfounded application will have the right of an oral appeal under proposals in the asylum and immi-

■ The asylum bill aims to streamline decision-making and stop bogus claims

gration appeals bill. The bill reintroduces most of the proposals in the asylum bill, which fell at the end of the last parliament because of the general election. It is intended to accelerate and streamline decision-making in asylum cases and prevent bogus asylum-seekers attempting to enter Britain.

While designed to meet some of the criticism of the previous bill, the proposal to remove visitors' rights of appeal was condemned last night as "a major measure aimed at the black and Asian communities."

Kenneth Clarke, the home secretary, said the measures were necessary to ensure that race relations in Britain remained good. He said that

ensure that we do not go beyond that and that we do not admit more people than we can support."

Under the bill, asylum seekers have a new right of appeal including an oral hearing before an independent adjudicator. The bill gives powers to the authorities to fingerprint asylum-seekers in an attempt to curb multi-applications being used for social security fraud. Local councils will no longer have a statutory duty to house asylum applicants while their claims are being considered, but instead will have a duty to provide temporary accommodation.

The changes to the immigration appeals are expected to affect 11,000 people who apply for visas from British officials overseas to visit Britain. Mr Clarke conceded that the government was giving a right of appeal to asylum seekers but removing it from those seeking to visit Britain for reasons such as short-time study, weddings and funerals.

"We are giving the rights of appeal to cases which are of fundamental importance to the future wellbeing and life of the person in question," he said.

In 1991 there were 10,000 immigration appeals, of which 1,726 were successful.

Claude Moraes, director of the joint council for the welfare of immigrants, said: "This is a most unfair and unjust feature of immigration policy and will be seen as racist by the immigrant community as it affects some of the most basic human activities when people want to attend weddings and funerals."

Last year there were 44,743 applications for asylum in Britain, almost ten times the number for 1988, when 5,000 sought refuge in the UK.

Figures for the first nine months of this year show that 16,200 have applied – an average of 1,795 a month. The drop is explained partly by tougher screening measures introduced last November, since when asylum-seekers have had to go in person to the Home Office's asylum division rather than applying by post.

Although on average only about 25 per cent of applicants for asylum meet the United Nations definition of a refugee, about 60 per cent are allowed to stay.

In an attempt to curb bogus applications for asylum, tougher screening measures were introduced. Asylum seekers must now go in person to the Home Office's asylum division rather than apply by post. In the first nine months of the year there were an average of 1,795 applications a month compared with 3,730 in 1991. The rule has reduced the opportunities for benefit fraud. Under the old system, it was suspected that individuals completed several forms in different names.

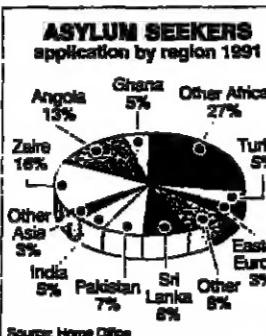
Ministers have responded to criticism by Amnesty International over the average time for processing applications, which can be as long as 14 months, by increasing staff in the asylum division. A backlog of 57,000 cases will take several years to clear.



Closing the door: Kenneth Clarke, the home secretary, in Downing Street yesterday

Refugee tide forces new curbs

By RICHARD FORD



cants meet the UN definition of a refugee – someone with a well founded fear of persecution – about 60 per cent are allowed to stay.

They are given "exceptional leave to remain" for an initial 12 months, which can be extended for a further three years. At the end of the four years they can apply for their families to join them.

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Richard leads peers' race

By SHERI GUNN, POLITICAL CORRESPONDENT

TWO former EC commissioners, Lord Richard and Lord Clinton-Davis, emerged yesterday as the front-runners to become the new leader of the Labour peers.

As nominations open for a successor to Lord Cledwyn of Penrhos, the favourite is Lord (Ivor) Richard, a heavyweight candidate in every sense of the word, who was marked down as the most likely Lord Chancellor if Labour had won the last general election.

Lord Richard QC, 60, was a junior defence minister under Harold Wilson (now Lord) Wilson before losing his Commons seat in 1974. He became Britain's permanent representative to the UN and then went to Brussels.

The former MP for Hackney, Lord (Stanley) Clinton-Davis also has many fans among the Labour peers. While he may not have the charisma of Lord Richard, he consistently scores points by always doing his homework, and has adapted well to the Lords. He was a junior trade minister in the Callaghan government and had a formidable reputation as an EC environment and transport commissioner.

However the award of the Grand Cross Order of Leopold II for services to EC will not

endear him to the small but solid faction of Eurosceptics on Labour's benches.

The present deputy leader, Lord (Charles) Williams, has told colleagues he will also put his name forward this week. A former city banker who is probably the most formidable performer on Labour's front bench in the upper House, he should, by rights, be the favourite. However, his prospects are clouded by the lingering preference among Labour peers for an ex-MP and also by his links with the late Robert Maxwell when he was an non-executive director of Mirror Group Newspapers.

Lord Williams, 59, was

chairman of the Price Commission in the late 1970s before becoming managing director of the merchant bankers Henry Ansbacher & Co.

Nominations close on Thursday when peers will have a week to vote. If no one has an overall majority, a second ballot will be held between the two highest scorers. Labour peers will also vote for a new deputy as Lord Williams is staking everything on the leadership contest. Front-runners are Lord (Andrew) McIntosh of Haringay, Lady Turner of Camden and Lord Carter.

Lord Cledwyn, 76, regarded on all sides as the doyen of the Lords, has clocked up more than 40 years in Parliament. A close friend of the Kinnocks, he was an agriculture minister and Welsh secretary in former Labour governments.

Since becoming Labour leader in the Lords in 1982, he has focused on offsetting Labour's built-in numerical disadvantage in the upper House by bringing in "working" peers with impressive records outside Parliament to help revise legislation. As a result the government has been defeated more than 100 times during his tenure and, on many more occasions, has been forced to rescind its bills.

IRA defied

IRA bombers have no chance of succeeding in their aims — "not now, not tomorrow, not ever", the prime minister said at question time.

In Parliament

Commons (9.30): Debate on the policing of London.

Four vie for Gould post

FOUR Labour frontbenchers are now vying to get the place on the shadow cabinet left by Bryan Gould, the shadow heritage secretary, who resigned over Maastricht on the eve of the party conference (Jill Sherman writes). Ballot papers were sent out last night.

George Robertson, Ron Davies, Clare Short and Tony Banks have all been nominated for the vacancy, which will be subject to an exhaustive ballot. Mr Robertson and Mr Davies are the clear favourites for the place.

Mr Robertson, shadow spokesman on Europe, is thought to be John Smith's preferred candidate. He is also likely to benefit from being the only candidate on the right of the party.

Ron Davies, the shadow agriculture spokesman, was runner-up in the shadow cabinet elections last July with 80 votes and theoretically has the best chance. He is loyal to the leadership but is regarded as a bit of a free thinker.

Mr Smith has made clear that there is no guarantee the victor will become heritage spokesman.

The main business in the House of Commons next week is expected to be:

Monday: Bankruptcy (Scotland) bill, remaining stages.

Tuesday: Timetable motion on and conclusion of remaining stages of the Cardiff bay barrage bill.

Wednesday: Debates on public accounts committee reports.

Thursday: Debate on the white paper *New Opportunities for the Railways*.

PARLIAMENT NEXT WEEK

Friday: Debate on sport.

The main business in the House of Lords is expected to be:

Monday: Sea fish (conservation) bill, second reading.

Tuesday: Judicial pensions and retirement bill, report first day.

Wednesday: Debate on care in the community.

Thursday: Conclusion of the report stage of the judicial pensions and retirement bill.

Bill seeks to create 'guard dog' for press

By MELINDA WITTSTOCK
MEDIA CORRESPONDENT

READERS will get the statutory right to take newspapers to the high court over inaccurate reporting if editors refuse to publish corrections, should a private member's bill promoted by the Labour MP Clive Soley become law. Under the bill, published yesterday, editors would be found in contempt of court if they failed to correct factual errors after an arbitration process conducted by a new and more powerful statutory press watchdog.

The freedom and responsibility of the press bill, to be given its second reading in the Commons on January 29, would abolish the Press

Complaints Commission in favour of an independent press authority, which would set higher ethical standards of newspaper reporting.

Mr Soley said the authority would also act as a staunch defender of press freedom. "What we need is a tenacious guard dog not a toothless watchdog."

Seeking to reassure journalists and editors opposed to new government controls on newspapers, Mr Soley said: "I believe the press has nothing to fear from my bill, and much to gain. The circulation war between national newspapers has sent journalistic standards tumbling, and further damaged public attitudes to the press."

"Journalists will earn greater respect if more attention

is paid to accuracy and the correction of errors. And the press will earn the support it deserves to fulfil its democratic role as guardian of the public interest," the MP for Hammar突奇 said.

Launching his bill, Mr Soley said it would "promote the highest standards of newspaper journalism by insisting that newspapers admit to their mistakes and correct factual inaccuracies".

If an editor and a complainant could not agree a correction between themselves, an independent press authority would be able to intervene and make a factual finding.

Supporters of the bill have arranged a series of public hearings in December for individuals, organisations and editors to air their views.

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COLCHESTER 1 VILLA ROAD, NEAR TOLLOTT CENTRE 0203 42007
DERBY 1173 BARKHORN LANE, OFF ST. PETER'S STREET 0332 43813
HORNCHURCH 187 HIGH STREET, NEAR TO THE KINGS HEAD 0706 472258
KENSINGTON 2528 THURLOE PLACE, BET. MUSEUM & TUBE 071 588 2303
KINGSTON 3840 EGER STREET, OPPOSITE MAIN POST OFFICE 081 546 5040
LOUGHTON 1055 HIGH ROAD, CINCHON STRAWBERRY PLATE 081 502 4123
MANCHESTER 1214 ST. MARY'S GATE, BET. M/S & DEWEY 061 839 4339

MAIDSTONE 6061 HIGH STREET, OPPOSITE LOUNGE BARS 0622 620072
MELLIS SUFFOLK THE OLD MILL, MILLERS BET. A1401/43, Nr. RAY XING 0379 736415
NORWICH 8901 PEACE OF WALES RD, NEAR TO HOTEL NELSON 0803 816858
PALMERS GREEN 30501 GREEN LANE, CHESHUNT, ENGLAND 01992 661444
READING 241 CHURCH SQUARE, OPPOSITE DICKINSONS 0742 722801
SHEFFIELD 241 CHURCH SQUARE, OPPOSITE DICKINSONS 0727 838558
ST. ALBANS 16 CHESTERFIELD PLACE, NEAR THE TOWN HALL 081 643 8242
SUTTON GROVE ROAD, OPPOSITE NEW POST OFFICE 071 722 7810
SWISS COTTAGE FRODÉY ROAD, NEAR BOOTS 071 722 20042
WATFORD 125 THE PARADE, CHP, THE FOLEY & SAMPSON 0992 200042
WEYBRIDGE 6665 CROWN STREET, NO. ST. JAMES CHURCH 0332 655930

NOW OPEN IN KINGS ROAD ... OPENING SOON IN NORTHAMPTON

JY 10/10/92

Africans bomb rebels to stop attack on Liberian capital

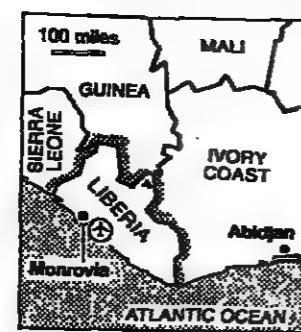
By SAM KILEY, AFRICA CORRESPONDENT, AND OUR FOREIGN STAFF

WEST African peacekeepers in Liberia used air and sea bombardments yesterday to stop an attack on Monrovia, the capital, by Charles Taylor's rebel forces as thousands of refugees fled the fighting into the centre of the city. Neither side was observing a ceasefire called for by West African presidents at a special meeting on Liberia this week.

The 7,000-strong West African force that controls Monrovia and surrounding areas pounded territory held by Mr Taylor's guerrillas with 105mm shelling. The rebels, protected from a frontal assault by marshes and forests, replied with small-arms fire and commando raids into the capital.

Prince Johnson, Mr Taylor's former ally, fled the assault and avenged himself up to the seven-nation force which, some aid officials said, had summarily executed four unarmed civilians on suspicion of being members of Mr Taylor's National Patriotic Front of Liberia (NPFL). The spread of such killings, which have been commonplace among the various groups fighting for control of Liberia, reflects frustrations of the West African force, which has been regularly attacked since it was sent to Liberia in November 1990.

Witness said that the Nigerian airforce had used MiG planes to bomb Mr Taylor's positions including the Cald-



100 miles

MALI

GUINEA

IVORY COAST

Abidjan

ATLANTIC OCEAN

Monrovia

LIBERIA

10 miles

SIERRA LEONE

10 miles

Breakdown of Gatt talks sets stage for global trade war

By NICHOLAS WOOD IN LONDON AND MARTIN FLETCHER IN WASHINGTON

THE world lurched toward a trade war last night as the Gatt talks collapsed. While American trade negotiators flew home, John Major, who is president of the European Community, sharply criticised remarks by Roland Dumas, the French foreign minister, who told French farmers in a letter it would be months before the negotiations could be resumed.

Mr Major told the Community: "I cannot disagree more strongly. It is not the view shared by the British government and it is not the view shared by the British government as the presidency of the Community. It is not the view shared by the commissioners and it was not shared by

■ Britain is angered by France telling its farmers that negotiations on subsidies cannot resume for months

the majority of member states in Birmingham [at the summit last week] who authorised the Commission to negotiate for a settlement by the end of this year." Last night, the prime minister called for an investigation into the reasons for the dispute.

As Mr Major tried to repair the damage, one senior aide

said: "There is always the risk of trade wars which could slide into protectionism. This could be a blow to confidence at a time when the world's economy needs one like it needs a hole in the head."

As the Europeans quarrelled the Bush administration was convening a high-level inter-departmental White House meeting to decide its next steps. The most extreme measure under consideration was the immediate implementation of punitive sanctions on up to \$1 billion of EC exports to America, a move that would almost certainly trigger a full-scale trade war between Europe and the US.

However, the British and German governments sent urgent messages to the White House urging it not to give up on the Gatt talks, which are now technically in suspension. France shrugged off the breakdown.

American officials thought it more likely that the White House would stop one step short of actual implementation by announcing that the sanctions were imminent unless the EC swiftly gave way.

The sanctions would be retaliation against the Community's oilseed subsidy regime, which is a distinct but inseparable part of the wider dispute over EC agricultural subsidies. "There's going to be a meeting and one possible outcome is some kind of realisation on oilseeds," said a White House source. "The feeling here is we have gone as far as we can on making compromises."

The imminence of the US election makes the confrontation immeasurably more complex. Mr Bush has made his championship of free trade a key plank of his platform, one that could be severely undermined by the collapse of the Gatt talks. "The pressure is on him to get a deal," said one European source.

The envoy was told that a Clinton administration would consider a pre-election resolution of the protracted EC farm subsidies dispute blocking the Uruguay round of the General Agreement on Tariffs and Trade an "unfriendly act".

But the president could let the talks collapse and portray himself as a staunch defender of American agricultural interests. The Midwest farming states being some of the key electoral battlegrounds. A source at the US agriculture department questioned whether the Community would dare reciprocate if American sanctions were imposed.

M Dumas' comments were an apparent repudiation of the agreement reached at the Birmingham summit, where heads of government called for a Gatt deal by the end of the year.

As the talks reached a climax, its ministers fired a steady barrage of discouragement and threats of obstruction. A deal on the terms rumoured, the farm minister said, would provoke a peasants' revolt. The most persuasive French argument focused on the American electoral calendar. Suppose, French officials suggested, that we go through the political pain of trying to sell this deal: what happens if Bill Clinton becomes president and disowns the deal? As on cue, Mr Clinton said this week that he would not rubber-stamp any Gatt deal struck by George Bush.

Why the subsidy battle was lost

FROM GEORGE BROCK IN BRUSSELS

THIS dashed hopes for a new familiar pattern of optimism crushed by a sudden walkout.

For most of the past year, teams of EC and American officials have been on the brink of clinching a compromise over farm subsidies which would permit the 108 states which subscribe to the General Agreement on Tariffs and Trade (Gatt) to write a historic treaty freeing global trade. The end of six years of horse-trading should boost world trade by between £100 and £150 billion a year. But with no more than a few million tonnes of grain and oilseeds separating them, the weary officials cannot tie up their package.

In case the talks are resumed, both sides spent yesterday piling pressure and blame on each other. The American team won the soundbite battle by stopping the talks with the claim that the European Commission had backed away from provisional deals which had led to a surge of optimism over last weekend. "Somehow the Commission seemed to decide that they couldn't go any further," said one American official. "They were way back on every single issue that we've ever discussed — even on items that we thought we had agreed."

The EC commissioners initially tangled themselves in an implausible claim that the talks were still under way. Officials then conceded that the talks were more "difficult" and one said that the problems had begun when the Community as a whole had hardened its position at last Friday's EC summit in Birmingham. One French official suggested that the problems started when Helmut Kohl, the German chancellor, had reined in the EC negotiators at Bir-

mingham, forcing them to retreat concessions.

The negotiators thought that they had made progress. The draft treaty to shrink its subsidised food exports by 24 per cent; the EC's position has been that it cannot go beyond 18 per cent. France's grain farmers, the most spectacularly productive exporters in the common agricultural policy, would be the principal losers from an EC concession.

But in exchange for

American concessions over exempting other payments to farmers from the Gatt rules, the EC looked ready to settle for a figure of around 22 or 23 per cent. The toughest issue had turned out to be Europe's subsidised oilseed production, which has twice been condemned by Gatt tribunals. America wants Europe to cut its 12 million-tonne annual production to 7 million tonnes.

But the negotiation was not a simple matter of a balanced deal with neutral numbers. American officials clearly believe that the French government succeeded in hardening the EC stance at the last moment. France's government faces a crushing poll defeat.

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Leading article, page 17

Emperor's visit evokes bitter memories

FROM JAMES PRINGLE IN WANPING, CHINA

LIU Jingshan, a retired railway worker who lives near the Marco Polo bridge, remembers the night in 1937 when the opening shots were fired in the war between China and Japan, a war that merged into the second world war.

Those memories come flooding back to Mr Liu and many other Chinese today as Emperor Akihito and Empress Michiko begin their six-day visit to Peking, Shanghai and the ancient capital of Xian. The symbolism of the visit is powerful: no Japanese monarch has ever visited China.

Emperor Akihito's late father, Emperor Hirohito, may have dreamed of a triumphant tour as emperor of all Asia, and ruler of Japan's planned Greater East Asia Co-Prosperity Sphere. But this time the communist giant appears to have manoeuvred a long-reluctant Tokyo into a position where it has little choice but to meet Chinese requests for the visit. Peking, still isolated by many Western leaders after the Tiananmen Square killing, is keen to be seen hosting foreign visitors.

Mr Liu was asleep in his home in this little walled town ten miles southwest of Peking when a shell hit the house next door. "We were frightened and my father gathered the family together and we quickly picked up a few household items, then fled, running until we came to a bus stop and took a bus into Peking," Mr Liu, 68, now does part-time work for his local neighbourhood committee.

It was the night of July 7 and as a 13-year-old boy "with a lot of curiosity", he had seen confrontations between national forces and Japanese troops occupying Manchuria, and seeking to provoke an incident enabling them to take over Peking.

Japan had had it all its way until then, setting up the puppet "Manchukuo" state.

After the clash that became known as the "Marco Polo bridge incident", real war commenced.

"One day I saw a company of Japanese troops march up to Wanping town entrance," he said, gesturing to a reconstructed town gate just 30 yards away. "Two Chinese soldiers on guard stopped them at rifle-point, then called an officer who drew his sword and told the Japanese they could not enter. On that occasion, they withdrew and rounded off round the walls."

Mr Liu shook his head as he thought back: "The Japanese first they took the food, then they took the women. The young girls all had to run away and hide." Chinese citizens, therefore, have mixed feelings about the state visit two decades after Sino-Japanese relations were normalised.

Right-wingers in Japan have also voiced disquiet over the imperial visit, demanding that no apology be made for Japanese conduct during the conflict in which 13 million Chinese died. "I saw terrible things then," said an old lady with bound feet as she hobbled through Wanping, charged about 40p to cross



Akihito expected to express deep regret



Harvesting the vote: Governor Bill Clinton addressing a rally in Pueblo, Colorado, from a stage decorated with pumpkins and corn stalks.

The Clinton camp has been worried by a sharp rise in Ross Perot's standing in the polls after the television debates

Clinton aides advised the EC against reaching export pact

In the first of a series of articles examining American election issues, Martin Fletcher in Washington looks at why Bill Clinton feels vulnerable over trade and Gatt

ADVISERS to Bill Clinton warned European diplomats discreetly in recent weeks against concluding an agreement between the Community and America that would have enabled President Bush to announce a Gatt deal on liberalising world trade before the presidential election on November 3.

The envoys were told that a Clinton administration would consider a pre-election resolution of the protracted EC farm subsidies dispute blocking the Uruguay round of the General Agreement on Tariffs and Trade an "unfriendly act".

The imminent of the US election makes the confrontation immeasurably more complex. Mr Bush has made his championship of free trade a key plank of his platform, one that could be severely undermined by the collapse of the Gatt talks.

The pressure is on him to get a deal," said one European source.

The sanctions would be retaliation against the Community's oilseed subsidy regime, which is a distinct but inseparable part of the wider dispute over EC agricultural subsidies. "There's going to be a meeting and one possible outcome is some kind of realisation on oilseeds," said a White House source. "The feeling here is we have gone as far as we can on making compromises."

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Perot's poll boost irks Democrat

FROM JAMES DREYFUS IN WASHINGTON

AN UNEXPECTED boost in popularity for Ross Perot after his forceful performances in the three presidential debates is causing anxiety to Bill Clinton's aides, who are considering turning their guns temporarily away from President Bush to concentrate on attacking the independent candidate. Private polls carried out for the Clinton Democratic campaign and a television survey released yesterday suggest that Mr Perot is cutting into the Democrat lead in western states and in the northeast.

The full scope of the intrusions the Texan billionaire has made in the Democratic vote will not be known until the weekend, when a series of state-wide polls are due to be completed, but Mr Clinton's strategists agree that his lead over Mr Bush has been cut by 3 or 4 per cent because of Mr Perot's challenge. The sudden shift in the polls also "ended any sense of complacency" in the Arkansas governor's camp, according to a Clinton aide.

The ABC television poll shows that support for Mr Perot has jumped from 11 to 19 per cent, a sign that the Texan has overcome the stigma of being a "quitter" — a description that was fixed to him after his abrupt, and temporary, withdrawal from the race in July. The increase in Mr Perot's popularity has been at the expense of Mr Clinton, whose support fell from 52 to 48 per cent. Mr Bush's backing remained at 29 per cent, a disastrous showing for an incumbent president whose party's base vote is generally calculated at about 10 per cent higher.

Like Mr Clinton would not automatically agree to any Gatt accord concluded before his inauguration. "I will have a free and fair trade policy, a maximum tax loss from it to be \$3 billion a year. The Clinton team had said it would not discriminate against foreign firms, "but to raise that kind of money it would have to," Ms McLernon said.

The wider concern is that Mr Clinton is more a "fair-trader" than a "free-trader". He promises a more muscular approach towards dismantling foreign trade barriers, the obvious targets being Japan and the EC. He will be under pressure to retaliate if he does not succeed and that could accelerate a division into rival trading blocs.

"The American people are looking for a tough, results-oriented trade policy, and Bill Clinton will give them one," said Will Marshall, the president of the Progressive Policy Institute, which has been advising the Democrat. "If with the threat of sanctions we do not get fair terms, then protectionist pressures will grow."

Whether Mr Clinton could, or would, resist those pressures remains to be seen, but his response to the North American Free Trade Agreement (Nafta), was inauspicious. Loath to upset organised labour and the industrial Midwest, he eventually endorsed Nafta "if and only if" there were accords to protect American jobs and the environment, and to permit protectionist measures.

Likewise, Mr Clinton would not automatically agree to any Gatt accord concluded before his inauguration. "I will have a free and fair trade policy, a maximum tax loss from it to be \$3 billion a year. The Clinton team had said it would not discriminate against foreign firms, "but to raise that kind of money it would have to," Ms McLernon said.

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The stand-off on democracy has also brought Hong Kong's plans for a multi-billion dollar airport to a standstill. Peking is withholding its approval until Mr Patten revises his proposals on the elections. Yesterday Mr Patten gave an indication that he may go it alone. He said that it would be best if Peking agreed to the financing plan, but if that was not forthcoming, he would press ahead without it.

On island talks: Mr Li will visit Vietnam later this year for talks on a disputed island chain and other bilateral issues; the foreign ministry announced yesterday. The visit will be the first to Vietnam by a Chinese leader since Chou En-lai visited Hanoi in the early 1970s. Diplomats believed the date, which has still not been announced, will be some time next month. (Reuters)

THE TIMES

Rabin warns coalition partners

Jerusalem: Yitzhak Rabin, the Israeli prime minister, has threatened to dissolve the government unless Labour's two coalition partners, the left-wing Meretz party and the ultra-orthodox Shas religious party half a potentially damaging public脸

Flights resume

Baghdad: The first flight to enter Iraq's airspace since the Gulf war last year will be carrying 36 tonnes of Sudanese beef for Iraqis. (Le Monde)

Premier closer

Beirut: President Emile Lahoud of Lebanon has appointed Rafik Hariri, 48, a rich Saudi of Lebanese origin, as the new prime minister.

Fusion claim

Tokyo: A Japanese scientist

has claimed to have achieved

low-temperature nuclear fusion in experiments at the communications company, the Nippon Telegraph and Telephone Corporation.

Serbia-L

Serb-Croat partition plan ignored Muslim will to fight



■ The omens for peace are not good, with factional leaders changing their tune to suit their new military positions



Milosevic in middle of power struggle

FROM TIM JUDAH IN GENEVA

MARIO Nobile, an adviser to President Tudjman of Croatia, took out a pencil during an interview in the summer of last year and drew a map of how Croats and Serbs were going to partition Bosnia-Herzegovina. The next day President Tudjman confirmed he had discussed the plan with Slobodan Milosevic, Serbia's president. The interviews caused a storm. First, there were protests from Sarajevo and then denials from Zagreb. But as Serbs and Croats near completion of the military part of the plan, last year's interviews show that the biggest failure in the Serbo-Croat discussions was that they were never able to agree the boundaries between themselves.

With the fall of the northern town of Bosanski Brod most of those issues have been resolved by force. The recent

upsurge in fighting between Bosnian Croats and Muslims indicates that the Croats are now concentrating on consolidating the border regions of their self-proclaimed "statelet" of Herzeg-Bosnia. There have been limited clashes between the nominal allies for months. But as battles with the Serbs die away, the alliance's utility for the Croats also diminishes.

In their increasing strident language about Islamic extremists, Croat politicians and military men are coming ever closer to mimicking their Serb counterparts. The Croat aim, like the Serb one, is to pen the Muslims into an area of central Bosnia bounded by the cities of Tuzla, Sarajevo and Zenica. For that reason the European Community, to "cantonise" Bosnia suited the Croats and Serbs. It did not

matter that the Serb and Croat cantons would not legally be part of Serbia and Croatia. With the cantons linked economically and militarily to their "mother states", de facto partition would have taken place and legal union could wait.

Where Serbs and Croats miscalculated was in their underestimation of the Bosnian Muslim determination to fight. Faced with the prospect of war without end, intense international pressure and, in Serbia's case, sanctions, Croats and Serbs are going through the motions of discussing a compromise constitution being negotiated in Geneva. This is the idea of "regionalisation" Bosnia, but not on exclusively ethnic lines. What is not clear is whether the "regionalisation" plan will be cantonised by another name. Serbs and

Croats are now making vague noises about going along with it, but that may be a tactic to consolidate their territorial gains. "They are integrating the political process with the military now," a United Nations official in Geneva said.

Unfortunately, the omens for peace are not good. Nikola Koljevic, the Bosnian Serb leader, said yesterday in Geneva that the Bosnian state should hold certain functions in common, but he added: "We have not taken a decision on the central bank and, as for the army, well, after the war that would seem impossible." Before the war, Mr Koljevic, like Mr Nobile, waxed lyrical about the division of Bosnia-Herzegovina and said that he thought the time was ripe for a Union of Serbian States. The union of four republics would comprise Serbia and Montenegro and the two self-proclaimed Serbian republics in Bosnia and Croatia. Yesterday, he said: "This option is still very much alive."

Much now depends on the political stability of all sides. While the link between Za-



plan to put Serb heavy weapons under UN supervision failed when many Serb units ignored their orders and the Bosnian side carried on shelling them.

The final factor in the equation is the stability of Belgrade itself. All eyes are now on the bitter power struggle between Milan Panic, the federal prime minister, his ally, Dobrica Cosic, president of the rump Yugoslavia, and Mr Milosevic. If Mr Milosevic triumphs, his chances of a negotiated settlement may take a fatal blow. Mr Panic is allergic to extreme nationalism and war.

Cyrus Vance and Lord Owen, the UN and EC peace negotiators, are working in Geneva to end the current and stop them spreading. Not only must the peacemakers deal with the warlords of former Yugoslavia but they must also keep close watch on the security council in New York. With 6,000 UN troops arriving in Bosnia, they must stave off pressure for UN enforcement action that could make the "blue berets" targets.

NEWS IN BRIEF

Thousands claim 'jet amnesty'

Amsterdam: More than 1,000 illegal aliens have claimed they lived in the 77 apartments crushed by an El Al cargo jet after Dutch authorities offered an amnesty to victims of the crash in the suburb of Blijmermeer.

A city spokesman said: "There are always some who will try to take advantage of this sort of deal." Up to 70 people are believed to have died when the Boeing 747 sliced through a ten-storey block of flats after losing its two right engines. (AP)

Policeman dies

Bilbao: A policeman with suspected links to Eta, the Basque separatist group, died in the northern Spanish town of Barakaldo when a camping gas bottle and a bomb with a timer he was handling went off, police said. (Reuters)

Minister ill

Moscow: Andrei Vorobyov, the Russian health minister, collapsed after suffering a heart attack while introducing his health reforms at a government meeting. No details of his condition were reported. (AFP)

Baby victims

Hamburg: Racist Germans set fire to a hostel housing 24 refugees in Lahstedt and two Lebanese babies had to be treated in hospital after inhaling smoke, police said. The state of Brandenburg said it would house refugees in mass quarters in future. (Reuters)

Run of luck

Moscow: Olympic athletes are to be paid from the proceeds of Russia's first national lottery. Organisers of "The Lotto Million" say cash raised will pay athletes threatening to emigrate if not properly rewarded.



Ranks and files: a US army major leading a line-up of soldiers preparing paperwork in Wiesbaden, Germany, before going to Croatia next month

LETTER FROM MOSCOW

Russia takes fast lane to danger

BY ANNE McELVOY

After weeks of trying to wrest the Saab keys from the office driver, he reluctantly handed them over. It was clear that he had little trust in the capabilities of a Westerner to negotiate the capital's roads — and with good reason.

The Soviet road system was a microcosm of the political one: grandiose and user-unfriendly. Only totalitarianism could have developed the rules by which you want to turn left across Kurskoye Prospekt to reach the Times office, you have to thunder on another mile, negotiate a jammed underpass and join a queue of cars. On the signal of a traffic policeman (the lights do not work), you swing round in an elegant manoeuvre to head back to where you should have been 20 minutes ago.

The Soviet U-turn is one of the most dangerous manœuvres, since most Moscow drivers find it impossible to stay in their lane even on a straight road. Faced with a four-lane 180-degree turn, they collide frequently.

Now that the bigger political U-turn is behind us, the roads continue to reflect the wider world. Just like Russia, they have become more anarchic and a lot more dangerous. There were two dead bodies on the Prospekt yesterday morning, thrown clean through their windscreens. The police ambled over and

cleared the wrecked cars which were impeding U-turns but, judging the corpses to be of no further consequence, left them there for half the day. The state statistics committee announced last week that 13,000 people were killed and 75,000 injured between January and July.

By the time I reached the Kremlin, bound for Sheremetevsky airport, I was beginning to think I might soon be one of them. Russians drive maniacally. The Volga in the outside lane lurched in a single swerve across the bows of three cars into the inside. Then he discovered he was not making progress there and bounced back — without dropping below 70mph.

The man waved his black and white baton, saluted and introduced himself courteously before explaining that I had changed lane in the wrong place. In a Western car with special plates, you are inevitably first in line for an official admonishment.

Or worse. The next policeman was less polite and insisted that the car was in need of an overhaul. Given that it is sturdy, Swedish and king of the road in the land of Ladas, that seemed a bit rich. I started to show him the MOT. "Nyet, nez," he growled. "Dollars." Ten of those poorer, I was declared roadworthy and joined the fray again.

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Rogue army of guards holds sway over a worried Moscow

FROM ANNE McELVOY IN MOSCOW

A GUN battle outside the Russian parliament in which a guard was killed and another was injured in a clash with regular police has increased suspicions that White House guards have formed themselves into a private army outside the authorities' control. It has also exposed the disconcerting personality cult that surrounds Ruslan Khabsatulov, the maverick parliamentary chairman.

The guards, who still wear

police uniform, answer only to Mr Khabsatulov, an ethnic Chechen who has given himself powers far beyond those which normally accrue to a Speaker. He issues edicts, provides his relatives with gun licences and passes to the White House, and exerts pressure on reluctant deputies with

such forcefulness that it verges on blackmail.

His guards, who bear the portentous name Directorate of the Highest State Organs, are thought to number 5,000 and have been illegally removed from the control of the interior ministry. Among worried deputies they are known as the "cardinal's guards", after the men who in Alexander Dumas' *The Three Musketeers* held running battles with the king's guards. They patrol 75 key buildings in Moscow.

Mr Khabsatulov, a close ally of Boris Yeltsin for years, was deemed sound enough an anti-communist to be placed in charge of the guards. But tensions between him and the Russian president have grown and Mr Khabsatulov now counts as a focus of the

conservative camp which would like to slow the reform programme. There are fears that his guards could be used against the government in a second, right-wing coup.

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Calm that followed the Stormin'

The peace-loving general believes America's next campaign should be in schools

His stormin' days are over, but General H. Norman Schwarzkopf is hailed as a conquering hero wherever he goes, even without his battle fatigues. Not only is he exactly the kind of guy anyone would go into the jungle with, but he is good company with a fund of jokes ("Do you know what Alzheimer's disease is? It's when you get so old you forget you were a Nazi") and a poetic soul. In his helicopter above the desert wastes he would compose verses about the eternal winds shifting the lone and level sands, and the essential little-

THE VALERIE GROVE INTERVIEW



ness of man... The combination of Iron John and Rupert Brooke, the soldier of sentiment, is irresistible.

"What made the younger Schwarzkopf become the Schwarzkopf he became?" he says, is what a doting public asked him after fame engulfed him, so his appropriately enormous book, *It Doesn't Take a Hero*, is far more than a Gulf war memoir. It starts with early years reminiscent of *Saturday Evening Post* covers by Norman Rockwell.

In the big family house on Main Street, Lawrenceville, New Jersey, Mom was forever baking apple pie. Life revolved around the kitchen stove, white Christmases, birthdays and pet dogs. Every week the family gathered round the radio to listen to the crimmaw show *Gang Busters*, presented by his father, H. Norman Schwarzkopf Sr (later a general, too) who was state police chief at the time of the Lindbergh kidnapping. So Pop was famous. He also gave his children medals for good behaviour on Friday nights.

This cosy domestic scene fell apart when Pop went away to the second world war, leaving Norman, aged seven, in charge as the man of the house. "Nothing was ever the same again." His mother went to pieces and took to drink. His sister Sally implored him not to write about that ("Why does this have to become a *Mommie Dearest*?"), but his mother still comes over as inspiring — she disliked privilege, and taught him tolerance. And Norman discovered that "late at night when you're all by yourself, you can call upon inner



STEPHEN MARKS/SON

Home-bred hero: the book has made Schwarzkopf rich but his values are still those of the boy from Lawrenceville, New Jersey

resources. I could still make friends, love dogs and help old ladies across the street." This is the useful message he feels he should relay to the young of today, who use adventrue as an excuse for bad behaviour.

Before Stormin' Norman, he had other *noms de guerre*: he was "the Bear" to his men, for his growly temperament, and "Cuddles" to his teenage gang in Frankfurt, for cuddling a girlfriend on the bus. Following his peripatetic father, at 11 he was already at home in the Gulf, where Pop was defending the Shah. Dining in a tent with the Bahuchi tribe, the brave boy managed to gimp down a sheep's eyeball, striking a blow, said Schwarzkopf senior, for American-Iranian relations. Every night during the Gulf war, he longed to talk to his father. "But it was almost like he was there. The Middle East was a world he loved, and knew better than almost any American alive at that time."

Over Christmas in the desert, Bob

Hope arrived ("and Vietnam and Korea and World War II all came rolling back to me") and he watched a video of the *Civil War* television series. "We were in the midst of designing the offensive campaign, about to throw 800,000 people into battle. And I was watching the result of campaigns where hundreds of thousands had died. Believe me, this has a very sobering effect on you. I feel it's really important for generals to understand that those elegant arrows they draw on maps translate into the lives and limbs of human beings. And they should never, ever forget that, or they make terrible, tragic mistakes."

The general who once said "War is a profanity" was never gunning for Vietnam, which made him detest the term "friendly fire": it's such an oxymoron, like military intelligence". After Vietnam he said: "Nobody is more anti-war than an intelligent person who has been to war." He hated what the Vietnam

debacle did to US morale. Before Desert Storm he told newsmen he was determined there would be "no Cambodian border situations" (kicking sand as he said, this). "There we had been, not once but twice, in the ridiculous situation where the enemy could attack you out of Cambodia, and you couldn't attack him because he could run across the border and say 'yah, you can't get me', like a game of kick-the-can. You can't fight a war like that."

The general says he had no idea, as he gave his news conferences from Riyadh, that the world was building him up as a gigantic personality. "We had no television or newspapers. We didn't know everything we said was relayed every half-hour on CNN. We were just running the war. We had no concept of the impact our personalities were making." When they told him

he was going to be a hero, he would say "I'm no hero. It doesn't take a hero to order men and women into battle" — hence his book's title.

But after the war, in the eyes of hero-hungry Americans, his appeal as a 6ft 3in, can-do winner made him infinitely marketable. "It bothers me when people talk of Schwarzkopf cashing in," he says. "Let me tell you what I have not done." He listed offers to join the defence industry, to do "country" television commercials, to sell inferior arms to the Arabs for \$150 million, or to sit on boards, all turned down except Nature Conservancy.

He could be taking 90 speaking engagements a month, but limits himself to five. He and Brenda and the kids used to sit at home in Florida ("Dunstornium", I like to think) imagining what they would do if they won the multi-million dollar state lottery. Now his book has made him rich. "But our lifestyle has not changed one bit. I am not

driving a 17ft Mercedes and I don't own a yacht." His thrill is driving with his son Christian every weekend to the clay shooting club, playing *Les Misérables* at full blast.

In his lectures he tries to undo revisionist assertions about the war. He reminds people that the Iraqi military was not puny, that war began only when all possibility of peace was exhausted, that to say they did not spare civilians is "poppycock". He tells how good leadership leads to high performance ("you only get by giving; make them feel good and they make you feel good") and ends with a homily about taking charge of your life and doing what's right. The first question audiences invariably ask is, "Why didn't you go in and finish the job?" Le gel Saddam. For a full reply, see the book in brief: they did all they were mandated to do.

At the Imperial War Museum this week, with Lady Thatcher and his friend General Sir Peter de la Billière in attendance, he was signing books, left-handed. "Didn't you

His image as a can-do winner made him infinitely marketable. He could be taking 90 speaking engagements a month

know? Everybody is born left-handed, until they commit their first sin." Some guests were moving on to the Madonna thrash. "How do you think I feel," asked the general, "upstaged by a \$50 sex book?"

Alan Clark, the former defence secretary, thinks it lamentable that Stormin' is relegated to the lecture circuit while "weak Willie Clinton" advances on the White House. The Clinton and Perot campaigns both tried to tempt the general aboard. "One political analyst said, 'General Schwarzkopf would be a lousy politician because he says what he thinks.' I consider that the nicest compliment I've had." Mention Eisenhower and the general reminds you that Lee was offered the Democratic ticket in 1948 "but he never planned to run, and didn't until he was drafted in by the American people in '52... But I don't consider myself President Eisenhower's successor."

There are other ways to serve one's country: such as addressing the young. Education, he says, is the answer to every problem, like prejudice and drugs. He does not bash a Bible or extol the American way: "It's a good way, but it's not the only way." When he taught engineering at his old military academy, West Point, he would end up sitting on the edge of the desk, talking about integrity. Out of the storm and into the schools, Norman.

Norman Schwarzkopf's *It Doesn't Take a Hero* is published by Bantam at £17.99.

Green for growth
Why build a factory at twice the cost?

Visiting Gunter Pauli, the managing director of Ecover, is a little alarming. A brief handshake in Mr Pauli's office, and he jumps out the window. I follow, and find some steps on the other side of the parapet leading down to a herbaceous border. This is Mr Pauli's roof garden: at 2,400 tons of turf he reckons it to be the biggest in Europe. The garden is the crowning glory of an ecological dream come true for the 36-year-old former diplomat.

Having spent Bfr97 million (nearly £2 million) on building his soap and detergents plant 30 miles from Antwerp — roughly double what it would have with normal building techniques — Mr Pauli sees himself as a business revolutionary. "I have vision, drive and contacts," he says. "I make the difficult things possible."

Ecover products are already well known in Britain. Its range of environmentally friendly liquid soaps is available in the big chain stores, and annual sales come to about £2.5 million. Ecover, which has existed for about 12 years, makes 16 products and exports to 34 countries, 92 per cent of its business is outside Belgium.

Mr Pauli's team of biologists, toxicologists and green engineers has worked out the factory down to the last detail. The wooden structure is hewn from sustainable forestry, the rubber matting is recyclable, the bricks come from coal slag heaps. The factory has polycarbonate windows instead of glass.

Looking after his workers is a major priority. He laid clay beneath the wooden floor of the factory, which keeps heat warm in winter. "You build a better environment for people and it encourages them," he says. "You have a lower staff turnover."

The travel allowance is three times higher for those who cycle to work than for those who drive; for big-engined cars, such as Mr Pauli's, there is no allowance.

TOM WALKER

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THE TIMES JOHANSENS PRIVILEGE BREAKS TOKEN

A small town in Wiltshire celebrates a brief moment of glory — the day it was midwife to a pop legend

When Glitter made his first little twinkle



All that glitters: "Women fainted all over the place"

The only way to describe my costume that night is to say you might have wrapped the Christmas turkey up in it," says Gary Glitter philosophically. "I had a jacket which was made of shredded tinsel, and on platforms. Women were fainting all over the place. It was my first gig ever as Gary Glitter."

It is almost impossible to imagine Glitter at the start of his career; the ludicrous posturing, the clompy boots and starstruck gaze seem to have been around, unchanged, for ever. Yet 20 years ago the nascent Glitter persona was witnessed for the first time by probably no more than 150 people in the small Wiltshire town of Melksham. In honour of the birthplace of Glittermania, next Monday Glitter will visit Melksham assembly hall to bestow upon it a Harp Rock Beat Plaque.

As far as the inhabitants of Melksham are concerned, the plaque will simply be a just return for years of devoted service in bringing a mixed range of entertainers to enthusiastic locals. "It was a brilliant place for Gary to launch his career," says Kim Mounty, who attended the concert 20 years ago at the age of 18.

Indeed, it seems that on the night, the audience had some vague awareness that history was in the making. "We all queued up in front of the hall," Mr Mounty says. "We all had long hair and platform shoes; I remember we caught a taxi back afterwards, and sang his songs all the way home. The next day we went out and bought his first single." Alf Sparks, who was working next door as caretaker of Melksham swimming pool,

sneaked in through the back entrance as the great man appeared down his trademark staircase. "It was outstanding... like something from outer space," he recalls. "He came on in a silver suit with big boots and a jacket with huge shoulder pads and... well, wings. I'd never seen anything like it before. Marvellous."

Many of the evening's details have, sadly, been lost over the years: estimates of audience figures vary wildly between one and 800. What is certain, however, is that although his fee was only £150, Glitter began as he intended to go on. "He was a flashy

kind of bloke," says John Lupton, then caretaker of the assembly hall. "He demanded a settee in his changing room, and I told him, 'we're only a council hall, not the London Palladium'."

Maybe not, but Melksham assembly hall, a one-storey brick-and-corrugated iron affair which could not possibly have attracted an audience from further than about 20 miles, was more than up to launching The Glittering One. "Melksham is basically the home of rock and roll," says Anne Welch, who organises live performances in the hall. "The hall is so evocative for so many people."

It's a point a fortnight after Glitter's debut, T. Rex were to play the hall. Wizzard and the Bay City Rollers likewise made their way down to Melksham. "Melksham assembly hall turned down the Rolling Stones, you know," Ms Welch says proudly. "And Eddie Cochran died just down the road in Chippenham." She presses a piece of paper into my hand. "This is a list of the people we have appearing now at the hall."

Unfortunately, the current list does not have the same shine of stardom; the number one acts are a choice between an evening with Cynthia Payne, Screaming Lord Sutch, or a man called Freddie "Fingers" Lee, whose *pique de resistance* is setting his hair on fire. It is hoped that the national recognition accorded to the hall via the Gary Glitter plaque will be reflected in the attendance of forthcoming rock evenings; only 85 people made it to the last one.

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Egypt trembles on the brink

Tonight John Major arrives in a country brought near to collapse by Muslim extremists. Christopher Walker reports

For John Major, it may come as a relief to arrive in Cairo this weekend and meet President Mubarak, a leader who is in at least as serious a political predicament.

Ever since Mubarak found himself spattered with the blood of his assassinated predecessor Anwar Sadat in October 1981, the Cassandra have been warning that Egypt — the most populous Arab country — is on the brink of collapse into a revolt from which Islamic fundamentalists will emerge triumphant.

For Washington, which props up this nation of 58 million with huge quantities of aid, the prospect of a repeat of the 1979 Iranian revolution is one that threatens to destroy attempts to restore stability to the Middle East.

At no time — not even during the bloody police cader riots of 1986 — has the revolt thesis seemed more plausible than in the days since the October 12 earthquake, which exposed government laxity in imposing building regulations and its inefficiency in mounting a rapid relief programme.

The devastation and panic inflicted on Cairo in the space of a minute provided the Islamic extremists with the perfect stick with which to beat an administration they are determined to overthrow. Until the quake, which was the worst recorded in Egypt's long history of tremors, the extremists had been struggling with the natural tolerance of the masses, whose easygoing approach to life is summed up in the joke definition of sleeping as "Egyptian PT". Suddenly, the poor were confronted by a disaster attributed by many to the will of Allah, and by energetic Islamic activists whose swift provision of shelter and food far exceeded the efforts of the central bureaucracy.

"The quake is a message from God to the regime," the tub-thumping fundamentalist preacher Sheikh Ahmed Abdel-Rahman told worshippers in one mosque. "I call on the government to release all detained members of Muslim groups, treat them in a humane manner and start a new era of justice — or otherwise God's message will be repeated."

In the filthy streets of Cairo's slums, where the stench of burning garbage mountains rubs with that of human and animal faeces, it was

the Muslims who first put up tents, distributed food and erected hand-painted posters declaring "Islam is the solution".

The moderate Islamic government of Mubarak panicked, ripped down the tents and set up tent cities of its own far from the city centre.

Foreign correspondents who reported on the riots were in some cases upbraided and reminded firmly that the ruling National Democratic Party was also running a large relief campaign.

Jittery Western diplomats who had hoped that the largess of the oil sheikhs in the wake of the Gulf war would eliminate Egypt's chronic instability, were reminded of disturbing parallels with Algeria, which experienced a similar tremor in 1989. There too the fundamentalists were the first to provide aid.

Fears of a repeat of the Iranian revolution threaten the peace process

and a year later they cashed in politically in the ensuing local elections. Their subsequent triumph in the first round of the general election last December led to the coup and the end of Algeria's democratic experiment.

Egypt holds local government polls on November 3. Few doubt that one purpose of the swift mobilisation of the bearded Muslim militants was to prepare the ground for these. In recent months the fundamentalists have secured control of most of Egypt's professional organisations. Most recently they took over the Lawyers' Syndicate despite the leftist sympathies of most members. The Doctors' and Engineers' syndicates had already fallen to the well-oiled Islamic electoral machine, following a trend throughout the Arab world for the fundamentalists to thrive on anything that remotely resembles Western democracy.

Mamoud el-Batigui, the chairman of the state information service, could scarcely control his fury when he spoke of the fundamentalists

ists. "They are trying to capitalise on a natural disaster for pure political gain," he declared. "I am convinced that ordinary decent Egyptians will reject this play."

Outside his air-conditioned office, however, the strength of the Islamic challenge is harder to deny. At one of the Muslim refugee camps, Fawzia Ismail, a mother of four daughters said: "I was sleeping outside near the garbage until [the Muslim Brotherhood] gave me a tent to share with 11 other people. My house fell, and no one from the government came to see us."

Many affluent Cairenes have begun to talk, only half jokingly, of emigration. They are convinced that the earthquake will propel a fundamentalist bandwagon already travelling at disturbing speed. The fundamentalists announced at a recent clandestine press conference in the Cairo suburb of Imbaba that in a fully Islamic Egypt Christians would have the same rights and duties as Muslims but would pay a special tax, would not serve in the army and could not become political leaders. "Since a Christian is an infidel, he cannot be superior to a Muslim," a spokesman for one of the most militant groups, El-Gama'a El-Islamiya, told a small group of Western reporters.

Since the beginning of the year, sectarian clashes between the security forces, Muslim extremists and Coptic Christians (who make up 10 per cent of the population) have led to 70 deaths, more than at any period since the aftermath of Sadat's shooting by Islamic fanatics disguised as soldiers.

The government has responded with new anti-terrorist measures imposed on top of an existing emergency law. A plan has also been announced to curb the building of private mosques, which form the fundamentalists' principal base. Condemning this move, Ahmed Hassan al-Banna, son of the founder of the Muslim Brotherhood warned: "It is against Islam to destroy the House of God. There will be great trouble."

Add to all this a population that is projected to reach 120 million by the year 2020, unemployment soon expected to jump to 20 per cent and subversion financed by Iran and Sudan, and it is easy to see why Mr Major may find that his own problems temporarily look rather less daunting.



Earth-shaking moment: the quake on October 12 allowed fundamentalists to rally political support by rushing in food and shelter

WHERE THE TOURIST IS A TERRORIST TARGET AND AN ARMED GUARD MAY BE PRUDENT

The death of a British tourist in Egypt on Wednesday in an ambush by Islamic extremists is the most serious incident since fundamentalists decided to include foreign tourists and pharaonic sites among their expanding list of targets.

Sharon Hill, a 28-year-old nurse from Gloucester who was on a "final adventure" before getting married, died when the open-topped minibus she was travelling in was ambushed on a road in Dayrul in Upper Egypt while returning to a campsite in Assuit province, a stronghold of the most violent Muslim fundamentalist organisation, El-Gama'a El-Islamiya. Two British men were wounded in the attack, which police sources say was carried out by extremists who used a boy standing in the road to give a whistle when he saw the bus, signalling gunmen in fields on either side to open fire. The two injured Britons, Michael Simmons, 24, of High Wycombe, whose left side was grazed by a bullet, and David Wilson, also 24, of London, who was hit in the left leg, have both left hospital in Dayrul and early yesterday were in a government rest house. A spokesman for the Gama'a has admitted responsibility for the attack and

warned that similar attacks will continue unless the government softens its policy towards Islamic fundamentalists.

The Egyptian government, anxious to limit damage to the US\$2 billion a year tourist industry, offered the five Britons, an Australian and a Portuguese who survived the ambush a substitute coach and an armed guard to finish their countrywide tour, which is due to end on November 8. All but two agreed. The Foreign Office urged British visitors to Egypt to be careful, but pointed out that the great majority of tourists on major tourist routes experience no security difficulties.

Earlier this month, on October 2, Islamic gunmen fired on a cruise boat carrying some 140 German tourists down the Nile. Although none of the Germans was injured, three Egyptian crewmen were wounded in the attack, the first of its kind. Attempts by Egyptian officials to play the incident down were discounted by Western embassies as it followed only days after Gama'a had warned foreigners to avoid the area.

Less than four months earlier, when *The Times* reported the first Islamic anti-tourist attack launched on the Karnak temple in Luxor,

readers found that neither Whitehall nor London-based tour operators were initially prepared to admit that it was the start of a campaign. Doubt rapidly gave way to concern when the Egyptian press disclosed that two devices had exploded during the temple's sound and light show, and that Molotov cocktails had been found elsewhere on the premises. A month later, a coach carrying foreign tourists in Luxor was attacked and a number of Islamic militants were arrested. Again, officials were reluctant to give details of the incident.

So far the fundamentalists have refrained from attacking the main sites around Cairo, such as the pyramids, although they have threatened them. No Western diplomat is prepared to vouch that the campaign will not switch to the capital, although they acknowledge that security there is tighter.

Egyptian commentators argue that the risk to tourists is no greater in other holiday locations around the world, including Britain. But Hussein Amin, an expert on Islamic affairs, says of the struggle between the government and the extremists: "Confrontation will not subside — it is a battle to the end."

Taking sides across the aisles

The factions are mustering in the campaign to influence synod's vote on women priests



The Rev Antonia Lynn: a deacon opposed to women priests

Jesus, and that his maleness is integral to his ministry. Because sacraments are grounded in the incarnation, a woman cannot represent Christ at the altar by celebrating the eucharistic sacrament, he argues.

Many women support his view. The Rev Antonia Lynn, aged 33, a graduate of Girton College, Cambridge, is chaplain at Horton Hospital near Epsom, Surrey. She was ordained deaconess in 1984 and in 1987 was one of the first women to be ordained deacon, previously the preserve of men. But she wants to go no further. She believes that the Church of England, as only a small part of the whole church of Christ, lacks the authority to take such a radical step.

Many traditionalists fear also an alliance between feminism and gay rights campaigns but Bishop Spong is not afraid to make the connection. He said last night: "The oppression of gay and lesbian people in my opinion is part of the same patriarchal oppression of women. I wrote *Born of a Woman* primarily to get the church to face its negativity towards women on every level, not just at the ordination level. The Christian church needs to face the fact that much of what it has done has been designed to keep women in a state of second-class citizenship."

The Rev Philip Crowe, principal of Salisbury and Wells theological college, says he will resign and become a parish priest if women are not ordained priests. "It is as if the church had said it was in favour of slavery after the anti-slavery campaign, or against women having the vote after they had won it. It is a matter of justice."

In today's *Church Times*, Brian Horne, lecturer in theology at King's College London, makes a direct link between the debate and sexuality. "My opposition to the ordination of women at this time is based on a belief that it is an attempt to pre-judge the resolution of profound questions only now being raised in acute form about the nature of gender differences and how they should find expression in the Christian tradition."

RUTH GLEDHILL



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Today, synod members will receive an open letter signed by senior bishops in the Church of England, who have broken ranks to declare their support for women priests.
The Rev Elizabeth Baxter



Simon Jenkins

The National Trust's takeover of our greatest country houses was a triumph of diplomacy

It was the noblest nationalisation. When the history of post-war Britain is written, nothing should be so lauded as the way the great houses of England were brought into public ownership. From Knole to Hardwick, from Kedleston to St Michael's Mount the landscape of England can be criss-crossed in an incomparable Grand Tour of history and taste. Displaying past is a talent at which Britain reigns supreme. No authority ordained this success. No Napoleonic edict went out. From the mid-1930s, a tiny band of aesthetes induced first dozen then hundreds of grandees to make over to the National Trust estates that had been in their families for centuries. Civil servants were nowhere to be seen. The cost in tax relief was minimal. The trick was one of masterly confidence.

James Lees-Milne was the first and greatest of these tricksters. At 84 he is, to our infinite delight, still alive to tell the tale. His *People and Places* (published today by John Murray) should be read by every bureaucrat, centraliser or general interferer. It is a textbook in public service.

Lees-Milne was the first country house secretary of the National Trust in 1936. The trust had a staff of a mere half-dozen and daringly invited distressed owners of great houses to bequeath to it rather than demolish or sell in the open market. All the trust could offer in return was continued tenancy, a promise of loving care and, from 1937, relief from future death duties. Lees-Milne was salesman for this policy.

His book is a case history of 14 early negotiations with families as ornate as Sackville, Lothian, Dashwood and Trevelyan. Some 300 more were to follow. It is also a fascinating postscript to aristocracy's Edwardian summer, the bleak winter of the Depression. "The estate is mildly embarrassed," a peer would murmur over the port, his wife sobbing in the gloom. Sons had died on the Somme. Developers and auctioneers were circling ravenously overhead. Socialism was at hand. The outbreak of war in 1939 brought a new menace, a defence ministry of mindless philistinism, requisitioning and smashing everything in sight.

Over the horizon peddles young Lees-Milne, Eton and Magdalene, on a bicycle from the nearest station. He enthuses over the beloved house. He admires the pictures. He mentions a comforting friend in common. He is polite to the servants. In his bag is a sort of salvation, relief of death duties, continued occupancy, a small bill paid, some advice on restoration, above all respect and dignity preserved.

The agony of these people is as palpable as their eccentricity. Lord Berwick of Attingham, with stablings for 60 horses and a conviction that his vacuum cleaner is a ghost, can barely discuss the subject. Conversation must pass via "his wife as they walk in a circle round the old man who incants 'not an acre shall be sold'". The bachelor Colonel Lunley of Brockhampton, seat of Lutleys for 750 years, is so appalled at what faces him that Lees-Milne has to retreat to the local pub. From Stourhead the Hoares write asking if Lees-Milne could find some evanescents "to help polish the silver with peacock feathers". At Cotehele, he must sit and watch in horror as Lady Mount Edgcumbe's puppy munches its way through the Queen Anne needlework. "Oh you naughty thing," she murmurs as each priceless inch disappears. Miss Talbot gives desperate dances in Lacock Abbey with a wind-up gramophone and "plain, speckless girls" while the yule log fills the room with smoke and fog swirls against the Gothic windows. Lord and Lady Newton move about their doomed Stockport inheritance "sighing from noon to night".

Hanbury in Worcestershire is saddest. Here was the perfect Squire Western house, William and Mary, ungrand and in 1938 hopeless. Lady Vernon is down to two rooms and one maid. Lees-Milne finds her surrounded by vast cats, eating queen's pudding and whispering, "Droitwich is gettin' very queer." When most would run for the door, he smiles tolerantly, always meeting self-pity with sympathy. If Ellen Terry's daughter and her friends refuse point blank to submit any paperwork when left in charge of Smallhythe in Kent ("and we thought the National Trust was civilised") the issue is not pushed. Lees-Milne simply wants to keep each house occupied. If this means bending rules, if the occupants are barking mad, so be it.

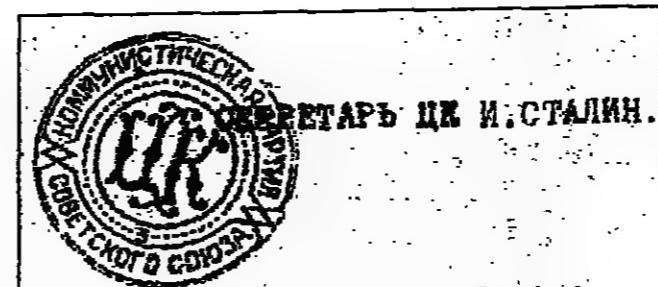
His model is of administration based not on rules but on trust. The deal was immensely fragile. Owners would not make their property over to the state or central government. Most would rather sell. The National Trust contract was therefore complex: *de facto* possession with maintenance but loss of ownership and agreed public access. It is hard to imagine a contract more liable to collapse if handled insensitively.

But there was more to the National Trust's success than its policy of minimal intervention. It would not have worked without the people who ran it. Lees-Milne and his colleagues worked by confident delegation, by mild nepotism, by a call to a friend, by leaning on the great and good. This was the old-boy network's finest hour. Thus was mighty Knole prided from the proud hands of Lord Sackville. Thus was the air ministry repulsed from glorious Jacobean Blickling.

An aristocracy yielded up its inheritance because it trusted officials who did not change every year, who shared its assumptions and courtesies and were sympathetic to its plight. Government, to be fair, gave the trust what it wanted, tax reliefs. It was enabler not executor and a model for modern reformers. Here is one nationalisation that deserves to stick. What a triumph.

New documents prove the Katyn massacre was ordered by the Soviet leader, says Nicholas Bethell

Stalin's final solution



Proof at last: Stalin's seal on the Poles' death sentence

The last piece has been discovered of a puzzle that has bedevilled historians and governments alike ever since April 1943, when the bodies of 4,000 Polish officers were unearthed in mass graves at Katyn, near Smolensk, in western Russia. The discovery of the mass graves by German occupying forces was skillfully exploited by Nazi German propaganda as evidence of the claim that democratic Britain was in wartime alliance with a gang of murdering barbarians.

The suggestion at the time that Britain's brave Soviet friends had committed acts of genocide against Polish prisoners of war was angrily rejected by British public opinion and by the British government. Even a few years ago, in many British people's eyes, it was "anti-Soviet propaganda" to suggest otherwise than that Hitler had done the deed.

Last week, when most people thought the issue was dead and buried, it arose from the grave in Moscow's Constitutional Court to threaten the reputation of ex-President Gorbachev. It is suggested that by April 1989 he had been informed of every detail of Stalin's personal guilt and that he covered up the full truth. True, in April 1990, Mr Gorbachev gave the then Polish president, General Jaruzelski,

some documents on the Katyn affair. But these fell short of attributing blame to the highest organ of Soviet power — Stalin and his Politburo. Now, with the publication of the key document, it emerges that the massacres were ordered directly by Stalin following a recommendation from Beria, his chief of the secret police.

The paper is signed on its first page, in pencil, by Stalin himself and with the names of his senior comrades: Voroshilov, Molotov and Mikoyan. The names of two other Politburo members, Kalinin and Kaganovich, are added in the margin.

While confirming something that many have long suspected, the document adds some intriguing new details to the terrible story. First, it suggests that those condemned to die in March 1940 were not only, as had previously been thought, the Polish prisoners of war and internees from three camps known as Kozielsk (Katyn), Starobelsk and Ostaszkow — 14,736 men in all. They also included Poles who were in prison in the newly acquired western districts of the Soviet

Union as a result of their links with the former Polish "establishment". In Beria's paper, they range from "spies and diversionists" to landowners, factory owners and civil servants — a further 10,685 men. Only those who were Poles were singled out for execution. The 7,947 men in western Ukraine or Byelorussia prisons who were not Poles were spared.

A second strange twist is that Beria originally proposed himself as a member of the "troika", or three-man court, that was to try the victims. However, his name is crossed out in Stalin's handwriting and the name of

Beria's deputy, Bogdan Koblov, is inserted in its place. It was Koblov who, after Stalin had given his assent, organised to destroy them. "From the point of view of Soviet security, these files are of no operational interest or historical value. And they could hardly be of any interest to our Polish friends."

Shelepin goes on to remind Khrushchev that "there exists an official version" of the Katyn story, based on the Soviet Union's own enquiry in 1944, which concluded that the Poles were killed by Hitler's men:

"The evidence given at that enquiry was widely disseminated in the Soviet and foreign press. The Commission's conclusion is now firmly established in international public opinion." This is why he wants the files destroyed, to prevent any troublesome leakage.

After the formal "troika" hearings, death warrants for the thousands of doomed men were put together. Many were signed by the head of the directorate for Polish prisoners of war, General Soprunenko. Teams of executioners were sent to the camps and prisons where the Poles were kept.

General Tokarev was present at one of the April 1940 mass executions in his Kalinin district. He has said in evidence to the Military Prosecutor's office: "They took the Poles along the corridor one by one... Each man was asked his surname, first name and date of birth — just enough to identify him. Then he was taken to the room next door, which was sound-proofed, and shot in the back of the head. Nothing was read to them... They were just handcuffed and taken to the execution room."

Today, Tokarev lives on a general's pension in his flat in Vladimir. Soprunenko lives with his daughters in their flat in central Moscow.

Inside the mind of Hillary Clinton

The next first lady may prove far more interesting than her enemies' stereotype gives her credit for, writes Alan Ryan

Hillary Clinton got off to a bad start with an electorate easily frightened by clever women when she mocked Tammy Wynette's "Stand by your Man" and denounced politicians' wives who were content to bake cookies and give tea. Nor did they warm to her promise that "when you elect Bill you get me". Nancy Reagan's meddling in personnel decisions (not to mention her astrological enthusiasms) has put the electorate off such offers.

Taking advantage of the tide, Pat Buchanan, Phyllis Schlafly and the Republican chairman, Richard Boyd, all denounced her as a threat to "family values" — she had compared marriage to slavery, and, said Mr Boyd, believed "that kids should be able to sue their parents, rather than helping with the chores as they were asked to do". The Republican attack was so vicious that Barbara Bush urged her husband to cool it. But Hillary Clinton had provoked uncontrollable anger as much as cold political calculation, for the attack was politically inept.

Mrs Clinton is all too like many middle-class Republican women, who also try to juggle family and job, and try to balance a concern for their own and their husbands' careers.

Many of them find their party's turn towards religious fundamentalism and a furiously "pro-life" position on abortion impossible to stomach.

The party's hostility to their hopes and values may cost George Bush the election — male voters are evenly split, while women are 60 to 40 in favour of Bill Clinton — so it is more than a matter of dirty politics gone astray.

Hillary Rodham — she only began to use her husband's name in the 1980s in the interests of appealing the conservative instincts of Arkansas voters — was first in the public eye many years ago. In 1969 the students at Wellesley College decided it was time they spoke for themselves at their graduation ceremonies; they chose

serious and sober, imaginative but not terribly radical.

American courts, like British courts, are guided in their treatment of children by the principle that they must act "in the child's best interests". This principle is too vague to provide much guidance, and courts adopt familiar rules of thumb, such as deferring to the natural parents, ruling out certain sorts of people as foster parents, and so on. Hillary Clinton's contribution is the unsurprising thought that in many cases, the courts should consult the child about what indeed is in the child's best interests.

She reached this view after some sad experiences in New Haven.

One was when a 12-year-old child was removed from the foster mother who had looked after her for some years and placed in a home to await adoption by someone who fitted the profile the court thought her "best interests" demanded; to Hillary Rodham, this deprived the child of the nearest thing she had to a real parent and was cruel.

"Children Under the Law" is the essay that her critics say compares marriage to slavery — except that it doesn't. It says what every textbook says: in Anglo-American law, some people have been presumed to be incompetent to stand up for their rights in a law court, or to have rights that must be exercised only by someone on their behalf. Slaves were represented

in the court by their owners.

The author is professor of politics at Princeton University.

Wakeham, the new Whitelaw

LORD Wakeham — virtually put out to grass when he became Leader of the Lords after the general election in April — has been recalled to the centre of government by John Major, who has asked the former secretary of state to take charge of "information co-ordination".

The recall to the front-line follows Wakeham's rescue act in the pit closure fiasco. It reflects a growing feeling in Downing Street that the soothing presence of Willie Whitelaw figure is desperately needed in an increasingly accident-prone government.

Apart from his job in the Lords, Wakeham has scarcely been seen in public since the election. But Major is anxious that Wakeham should resume his "Lord fit" role after being impressed by the way the former energy secretary, who knows more than most about the coal industry, handled the coal-down announcement in the Lords.

Wakeham was appalled by what he regards as the hounding approach of Michael Heseltine and has taken little trouble in

hiding his views. Peers have been astonished by the ferocity of his criticism of his cabinet colleague. His forthright attitude has also earned him the warm approval of one of the newest members of the upper house, Baroness Thatcher.

His return to the heart of affairs will not necessarily give Wakeham much pleasure, however. After acting as unofficial "minister for banana skins" under both Thatcher and Major he was only too happy to take a back-seat role after retiring from the Commons at the last election.

Even Wakeham himself is not immune from banana skins. While Heseltine narrowly survived the Commons vote this week, it was Wakeham who presided over a government defeat in the Lords.

Bare bait
THE lions of Longleat will soon have some serious rivals — the infamous murals of naked women painted by the new Lord Bath. The Kama Sutra-like paintings, which are hanging in the private apartments of Lord Bath, the eccentric owner of Longleat House, are to go on public display for the first time next year. Previously the apartments could be seen only by spe-

cial appointment and only when the eccentric peer was absent.

Bath, who inherited the stately home on the death of his father earlier this year, believes his daubs will be an additional attraction after the lions. This week he toured the house with a photographer and instructed him to take shots of the explicit

murals for next year's publicity brochure.

The hundreds of schoolchildren who descend on the house every year will now presumably be able to stick to their parents' car rear windows a new legend: "I have seen the nudes of Longleat".

• **Madonna will surely be delighted to hear that a demonstrating miner is prepared to swap his helmet for her much-hyped book.** See, Michael Day, the upwardly mobile managing director of the Hugo Chess company, was driving his BMW through London when he was surrounded by more than 50 Yorkshire miners on the march. Shaking slightly, he offered the miners a copy of Madonna's book.

• **One miner immediately removed his helmet, announcing they had no intention of robbing but a fair exchange was al-**

DIARY



ways a fair exchange. "I thought they were going to smash my car," says Day. "But I shall treat the helmet."

Bottom line

THE British Antarctic Survey is under attack from *New Scientist* for actions it regards as distinctly below the belt. "No one could think of sending British women knickerbones into the Antarctic cold," fulminates the magazine. Yet that, it fears, is precisely what is happening.

Traditionally the survey pays a special underwear allowance to women on its sojourns into the Antarctic wastes. This year there are ten women on the survey, and says Barry Heywood, deputy director of the BAS, the cost of silk underwear for them all would come to £500.

In "a woefully misguided piece of penny-pinching", as the *New Scientist* calls it, the allowance has been, in part, withdrawn.

In fact, a compromise has been reached and those venturing deepest into the icy interior will still enjoy the luxurious feel of pure silk.

"We have withdrawn the knicker allowance to those staff who are just visiting the base," says Frank Curry, head of administration. "We've had to cut back a bit on the frills."

It is good to see that, whatever Downing Street may say, reporting in *The Times* is still regarded as the most reliable point of reference by the Royal Courts of Justice. At one stage during the Union of Democratic Mine Workers' attempted injunction against British Coal, spectators were confronted with the sight of both Lord Justice Mann and his assistant Mr Justice Leonard referring to yesterday's copy of *The Times* while presiding over the case.

The judge was told by the miners' lawyer Peter Keenan that Hansard had not been able to supply the court with an extract of the president of the board of trade's speech to the Commons. "The Times was the next best thing," a court spokesman said. Quite.

• Margaret Beckett, whose political toughness has led many to dub her "the other Maggie" has revealed to *The House Magazine* that she comes from a long line of robust political women. The tradition, it seems, started with her grandmother. "She was known to have broken the windows of the Conservative Club because my grandfather was inside and would not come home."



THE WEALTH OF NATIONS

■ Helmut Kohl must stop helping the French obstruct Gatt

The most powerful nations in the world have just walked away from a global trade deal that could have been a multi-billion dollar shot in the arm for their troubled economies. They have put at risk a trade-led recovery next year, millions of new jobs and the prospect of adding \$4,000 billion to the value of international commerce within a decade. Negotiations between the EC and America on the Uruguay Round, an ambitious six-year attempt to open up new markets, have collapsed — when both sides were within a whisker of final agreement — over the single issue of agriculture.

Yesterday the European Commission made its customary attempts to shift the blame on to America. Nobody should be fooled. It is France, and France alone, that is holding the world to ransom. On Wednesday, knowing them to be President Bush's final offer, President Mitterrand ruled out French acceptance of America's latest concessions. The Americans, in Brussels for what they expected to be technical fine-tuning, found that the Commission had backtracked even on items they thought had been finally settled.

With evident satisfaction, the French government now assures its pampered farmers that, because of the American presidential election, "serious discussion cannot begin for several months". Other governments fear, with reason, that unless they grasp the chance to close this deal before the American elections on November 3, they may have to wait years, not months. France's rhetoric camouflages the craven truth, which is that even though France stands to gain as much as anybody from the Uruguay Round, M. Mitterrand will do nothing to provoke French farmers before the French parliamentary elections next March. The French have hinted that their next demand will be to unravel last May's reforms of the EC's bankrupt common agricultural policy.

The reforms to farm trade in the Uruguay

Round make sense in themselves. They are a first, cautious step to dismantling a runaway system of subsidies which both damages farmers in the world's poorest countries and costs the rich world's consumers and taxpayers \$300 billion a year. But much more than this is at stake.

The Uruguay Round would set new rules to protect intellectual property and open up new world markets in services and provide new, effective ways to settle future trade wars. The lowering of trade barriers it offers would be worth more than the totality of Western development aid to the developing world, and help the ex-communist countries trade their way out of trouble. If these six-year talks falter at the last hurdle, welcome to the Great Depression of the 1990s.

Time and again EC policy has been hamstrung by agreements among the politicians not to put their partners in electoral difficulties. In this case, such backscratching would be both pointless and pernicious. Pointless, because the Socialists are virtually certain to be defeated in March, with or without the French farming vote. Pernicious, because the whole world desperately needs this deal.

"All that is needed is for both sides to stay at the negotiating table," said John Major yesterday. He is wrong. What is needed is not excuses for further delay, but a clearly set deadline. Washington will return to the table if the Commission makes clear that it means to conclude a deal within days, and put it before EC foreign ministers. There, France is counting on German "solidarity" to prevent it being isolated.

Mr Major should call in his chips with Chancellor Kohl, asking him for once to put global prosperity before the state of Franco-German relations. If Herr Kohl says publicly that the only obstacles to a deal are political, and that Germany cannot let any country's domestic problems stand in the way, France will listen. He must break his embarrassed silence.

TIME FOR A FIRESIDE CHAT

■ John Major must soften up the public for austerity ahead

The British are good stocks. Mention the spirit of the Blitz and a collective sigh of nostalgia envelops the land. But suffering must have a purpose. If John Major is to ask the country for sacrifices in the coming weeks and months, he must persuade people that their reward will be more than virtue.

Cuts in benefits will be very difficult to defend if they fall hardest on the poorest recipients. Yet this is precisely what the government apparently intends. Chary of the emergency legislation needed to freeze child benefit and pensions, ministers want instead to curb rises in means-tested benefits such as family credit and income support.

That would be both cowardly and counter-productive. Labour would call an emergency debate. As with the pit closures, the government would face defeat from its own backbenchers. The country would unite against the government. Whatever Peter Lilley thinks, most British people do not equate benefits with scroungers and cheats.

The council tax is fairer than the poll tax but Michael Howard will still need all his best skills to sell it. Fortunately for him, Labour has not yet come up with much of a case against Maastricht. Only if the prime minister conceded a referendum will the British people cease to suspect that the treaty is intended to benefit politicians, not themselves.

Mr Major has a lot of work to do. His most important task is to explain to voters why austerity is so necessary. He must demonstrate not just that the uplands will soon be sunlit but also exactly how the economy will move from chill to warmth.

The British will be receptive to such an exhortation, but only if they believe in his navigational skills.

country coming to their aid, as they did with the miners. Almost everyone in the private sector has already suffered either a pay freeze or redundancy or has friends or colleagues who have. A pay freeze should be sold as an exercise in fairness: all must suffer together.

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WE ARE ALL BERLINERS NOW

■ The Queen's visit closes a tired old chapter

The eggs thrown at the Queen on foreign soil yesterday should not obscure the healing character of her visit to Germany. After months of diplomatic courtship between John Major and Chancellor Kohl, these have been Donner und Blitzen weeks for Anglo-German relations. It has been like old times, with British ministers trying to pass the blame on to the Germans for sterling's crash out of the exchange-rate mechanism, and the German government and the Bundesbank insisting with pitiless Teutonic pedantry that it was all Britain's fault.

German plans to celebrate the launching of the V2 managed to exceed in lack of diplomacy the British erection of a statue of "Bomber" Harris. The more excitable newspapers and politicians in Britain whooped it up. The British still seem obsessed with their finest hour, say Germans who were not born 50 years ago. Their elders, while credibly accepting wartime guilt, can be pompous about being made scapegoats for modern Britain's troubles.

There were only a few boos and a thrown egg or two yesterday in Dresden, from neo-Nazis and other irreconcilables. Television concentrated on them, on the principle that good news is no news but uproar makes a splash. Yet the good done by the Queen's visit will outlast today's headlines.

Her achievement was symbolic. But people live by symbolism more than by subsidiarity. Symbolism is the last surviving

role of the monarchy, and the Queen is the most influential symbol in the world. So when the Duke of Edinburgh read the Beatitudes in German in the Kreuzkirche yesterday, and the prime minister of Saxony read the rest of them in English, it was a moving public demonstration that two of the main antagonists of the great wars of this century have drawn a line under the past.

The Queen owes her succession as head of state to George I, who ascended the throne in 1714 and founded the House of Hanover. She is Britain's best honorary German. When she walked through the Brandenburg Gate onto formerly communist soil, she was enacting in an international morality play the end of the Cold War that has divided and terrorised the world for the past half century. She was also participating in the proper pride of modern, prosperous, democratic Germany in its regained national unity.

Mankind does not live by symbols alone. It will always need the politicians and other fixers to arrange the details of the future, the treaties and the protocols, the nuts and bolts. But the Queen's visit to Germany, above the temporary distraction of flying eggs, draws attention to the larger picture. The two great nations, descended from cognate stock, joint heirs to European culture and language, have learned to live together. The Queen's visit underlines the progress made from mere cohabitation to genuine friendship.

LETTERS TO THE EDITOR

1 Pennington Street, London E1 9XN Telephone 071-782 5000

Objectivity on pit closures

From Lord Lever of Manchester

Sir, I was myself for a brief period in 1969-70 the minister in charge of the coal mines. In my years in government I was well served by skilled and efficient civil servants. But in this department I came to the conclusion that the officials were governed by an inappropriate and undisclosed philosophy, namely, that they believed that deep coal mining was not an activity that should be continued in the modern world and that the sooner all our coal mines were closed down the better it would be.

What this criticism shows, in my view, is that the expectations that the public have of supervisors are unrealistic. The supervisors at the Bank are among the very best in the world and have an extraordinarily good record in maintaining financial stability in this country and in promoting high standards of supervision over-

In pursuing its supervisory responsibilities, the Bank has to make some very difficult judgments, especially in cases where the survival of a bank may be in doubt.

Such judgments had to be made in the case of BCCI, where the choices, in the critical period, lay between a messy closure on the one hand and acceptance of support from Abu Dhabi on the other; and it had to make those choices in the case of a bank established internationally, with no clear head office or home supervisor, which had, as we now know, a culture of criminality and deceit.

To claim about U-turns is vacuous. Surely a purpose of a democracy ought to be to enable ministers to think again when widespread informed opinion presses for this and to give an opportunity for a careful and objective review of the merits of the original decision.

Yours faithfully,
HAROLD LEVER
House of Lords.
October 22.

From the Director of Aims of Industry

Sir, Public sentiments about the abandonment of Nottingham miners and the Argyl and Sutherland Highlanders are equated, correctly, by Simon Jenkins ("Time to call coal's bluff", October 21) as having similar origins. He is wrong, however, to deduce that such sentiments spring from "total irrationalism".

Pure reason, for example, may ignore the fact that Mrs Thatcher's government might not have survived without the goodwill of the Nottinghamshire and other miners — but it is true nevertheless. Moreover, the solution to the present coal problem can be found in the dictum that it is nice when morality and expediency go together. Plus, one might add, an acceptance of market economy principles.

There is an urgent need for a programme for coal. This would certainly indicate pit closures — with a sad impact on people concerned. But bids for pits and coal-fired power stations should be invited — including management buy-outs.

We should re-examine subsidising nuclear fuels and Sir Leon Brittan should be asked to examine the EC countries' subsidies for coal — and we should reconsider imports until this is dealt with.

We should learn an essential lesson of industrial relations: that timing, skill and sensitivity in communication are essential in dealing with any form of redundancy.

Yours faithfully,
MICHAEL IVENS,
Director, Aims of Industry,
40 Doughty Street, WC1.
October 22.

From Mr A. J. G. Sturgeon

Sir, I agree with Simon Jenkins. I have long been associated with the construction industry, which has suffered from numerous recessions with hardship to many, yet each time has reorganised individually and collectively and pulled itself up by its bootstraps. Why should the miners receive exceptional treatment? They have my sympathy, as all made redundant have my initial sympathy, but no more.

That said, I share the concerns expressed by some backbench Conservative MPs and, among others, the president of the Geological Society (letter, October 21) in questioning the lack of an overall strategic policy on energy. This lack is a legacy from the naive notion that regulatory bodies have the skill and means adequately to control commercial undertakings, particularly electricity.

Mr Major did not create this mess but he had better address it now — with vigour.

Yours faithfully,
ADRIEN J. G. STURGEON
(Chartered engineer),
Fairseat Cottage, Fairseat,
Sevenoaks, Kent.
October 21.

From Mr John Melvin

Sir, Simon Jenkins is right, that the future over the pit closures is merely the pretext for discontent at a whole range of government ineptitudes and inaction. It is perhaps worth reminding senior MPs that in the real economy most of us, unlike those who have job security for the next 4½ years, fear for our livelihoods. It is the miners today, but through the incompetence of politicians tomorrow it could be us, however inherently viable our businesses.

Yours faithfully,
JOHN MELVIN,
John Melvin & Partners
(Chartered architects),
15 Highbury Place, N5.
October 21.

Response to Bingham on BCCI

From Lord Laing of Dunphail

Sir. No doubt there will be much comment on Sir Thomas Bingham's report on the BCCI affair, and there has already been much criticism of the Bank of England's role in the Bank of England.

What this criticism shows, in my view, is that the expectations that the public have of supervisors are unrealistic. The supervisors at the Bank are among the very best in the world and have an extraordinarily good record in maintaining financial stability in this country and in promoting high standards of supervision over-

In pursuing its supervisory responsibilities, the Bank has to make some very difficult judgments, especially in cases where the survival of a bank may be in doubt.

Such judgments had to be made in the case of BCCI, where the choices, in the critical period, lay between a messy closure on the one hand and acceptance of support from Abu Dhabi on the other; and it had to make those choices in the case of a bank established internationally, with no clear head office or home supervisor, which had, as we now know, a culture of criminality and deceit.

Yours faithfully,
LAING OF DUNPHAIL (Director,
Bank of England, 1973-91),
High Meadows, Windsor Road,
Gerrards Cross, Buckinghamshire.
October 22.

Business letters, page 29

Innocent victims of a 'free press'

From the Chairman of the Mathew Trust

Sir, Your report, "Press commission rejects privacy law" (October 19), states that in its submission to Sir David Calcutt's review of press self-regulation, the Press Complaints Commission believes that the introduction of a privacy law would imperil democracy.

Too often, in its "public interest" defence of intrusion, the press has claimed that it should have the right to be wrong. Lord McGregor of Durris, chairman of the PCC, goes even further in stating that "... if the press is free to behave irresponsibly, it must be free to be irresponsible". The time has surely arrived when the innocent should cease to be the victims of a "free press".

In its submission to Sir David Calcutt and after consulting a number of experts, the Mathew Trust has proposed a law of trespass against the person:

... information about the individual, their home, their family and relationships may not be published without the consent of the individual; this protection, for public figures and officials, and private individuals, should apply except when their private lives have a direct bearing on their public duties or their work and thereby become a matter of public interest.

Such a law would not "shackle the press" nor would it provide blanket protection for public figures. On the other hand, it would protect those who are not public figures — something which the debate about David Mellor and the royal family failed to address.

Yours faithfully,
PETER THOMPSON,
Director, The Mathew Trust,
PO Box 604, London SW6 3AG.
October 19.

Council tax

From the Minister for the Environment

Sir, I welcome the general tone, if not the pessimistic conclusion, of Colin Farrington's article on the council tax (Public Management, October 13). He identifies the importance of relative as opposed to absolute house values within any property tax and that subsequent price movements are therefore of lesser significance.

He regrets though that there is no regional banding of property. This issue was debated at length but no one provided a satisfactory answer to: "Why should taxpayers in identical houses in adjacent councils (e.g. Hillingdon and South Buckinghamshire, Havering and Thurrock) and receiving the same level and efficiency of service, pay different amounts simply because they are either side of the Greater London boundary?" The question would arise at every regional boundary.

Mr Farrington doubts the wisdom of a single-person discount. Probably the biggest criticism of rates was its perceived unfairness to single adult households (30 per cent of all households). A structure of two (or more) adults meeting 100 per cent of a council tax bill, one adult paying 75 per cent and empty property either being exempt or liable for a 50 per cent charge has a commonsense logic which, I believe, will become as widely accepted as the tax.

The single market in telecommunications is very far from being achieved. It will certainly come, but the slower it comes the more Europe will fall behind in the international race for competitiveness.

Yours faithfully,
ROBIN SQUIRE,
Department of the Environment,
2 Marsham Street, SW1.

Communications need

From Mr Malcolm Argent

Sir, Peter Purton's article, "The no-fuss single market" (Focus, October 7), gives a misleading view of progress in establishing the competitive market in telecommunications in Europe.

Europe desperately needs to create a competitive infrastructure with quality and choice for business and residential customers. Trading conditions for European industry need to be comparable to those available to our leading American and Japanese competitors.

To take just one example, in the key area of voice communication there is no open market in public services. Private services have been liberalised by Community directive since 1990, but only one member state (the UK) has effectively implemented the necessary legislation. There is no sign at present of other countries following.

The single market in telecommunications is very far from being achieved. It will certainly come, but the slower it comes the more Europe will fall behind in the international race for competitiveness.

Yours faithfully,
MALCOLM ARGENT
(Group Director and Secretary), BT,
81 Newgate Street, EC1.
October 9.

Industry and transport

From the Director and Chief Executive of the British Road Federation

Sir, A recent survey of nearly 1,000 business holding board-level appointments in Britain's manufacturing industry revealed that over 90 per cent of the respondents believed that the UK needs an improvement in road and rail infrastructure to allow it to compete in Europe from our off-shore position.

The government is exhorting British industry to take advantage of the floating exchange rate to increase

exports to Europe and lead the country out of recession, yet is making it quite clear that the road and rail improvement industry needs will have to wait.

Squaring the circle is never easy but perhaps the government should listen a little more carefully to the views of industry before making irrevocable decisions about public expenditure priorities later this month.



COURT CIRCULAR

BUCKINGHAM PALACE

October 22: The Prince Royal, President of Farms, Crime Concern, this morning attended the Annual Conference — Youth Crime Prevention at the Old Brewery, Chiswell Street, London.

Her Royal Highness Colonel-in-Chief, The Royal Corps of Signals this afternoon received Major General Robert Cook on relinquishing his appointment as Signals Officer in Chief and Major General Anthony Boyle upon assuming the appointment at Buckingham Palace.

KENSINGTON PALACE

October 22: The Prince and Princess of Wales this afternoon met members of the Royal Ulster Constabulary Widows Association and Mothers at Windsor Castle.

His Royal Highness Patron, Royal Opera House, accompanied by Her Royal Highness, this evening gave an eighteenth Birthday Party and Concert for Sir Georg Solti at Buckingham Palace.

The Princess of Wales, Patron, Headway National Head Injuries

Association, this morning attended a Reception at the Cumberland Hotel, Marble Arch, London W1. Captain Edward Musto RM was in attendance.

WORK HOUSE

ST JAMES'S PALACE

October 22: The Duchess of Kent this morning opened the new Police Station at Haywards Heath and as Patron of the Spastics Society later visited Springfield Manor School, Billingshurst, West Sussex.

Mr Colin Marsh was in attendance.

KENNINGTON PALACE

October 22: The Duke of Gloucester this afternoon visited Northampton and was received by Her Majesty's Lord-Lieutenant (Mr John Lowther).

His Royal Highness opened the Harold Cockrell Sports Hall at the Northampton School for Boys, Billing Road, Northampton.

Afterwards, The Duke of Gloucester opened the Tewkesbury Centre for Leisure, Springfields, Tewkesbury. Major Nicholas Game was in attendance.

Dinners

Royal College of Physicians of London

October 22: L.A. Turnberg, President of the Royal College of Physicians of London, and Mrs Turnberg with college officers and fellows gave a dinner last night at the college after Sir David Weatherhead had delivered the Harveian Oration. Among those present were:

The Earl of Stockton, Professor Lord Attenborough, Lord Chancellor, Baroness of Birkett, Lord Holderness, Lord Rayne, Lord Walton of Denham, Lord Wigoder, QC, Dr Michael Heseltine, Dr Alan P. H. Rivers, Lord Macdonald of Beaufort, Sir Patrick Nairne, the Hon George Younger, Dr John G. D. Scott, Mr Oliver, Sir James Achry, Professor Sir Eric Ash, Sir Bryan Askew, Sir David Barnes, Sir Michael Balfour, Sir David Bannister, Sir George Blundell, Sir Walter Bodmer, Sir Robin Buchanan, Professor Dame Barbara Clayton, Sir Alan Clark, Sir John Clegg, Sir Emrys, M.P., Sir Roy Griffiths, Sir Andrew Huxley, OM, Professor Sir Peter Higgs, Sir Denis Hooper, Sir Denis Ladd, Sir David Lintern, Sir Bruce Martin, QC, Sir David Neagle, Sir George Pinner, Sir John Reid, Sir Michael Rutter, Sir John Somers, Sir William Stansfeld, Sir Bernard Tomlinson, Professor Sir John Vane, Sir Maggi and Lady Yacoub and the Mayor of Croydon.

Royal Society

Sir Michael Ariyeh, President of the Royal Society, presided at the annual dinner held last night at Goldsmiths' Hall. Sir Leon Britton, Vice-President of the Commission of the European Communities, and Dame Margaret Turner-Warwick were the guest speakers.

Association of Clinical Pathologists

Professor P.P. Anthony, President of the Association of Clinical Pathologists, presided at a dinner held last night at the Copthorne Tara Hotel, London.

Service dinners

Naval Home Command

Judge A.G.Y. Thorpe was the guest of honour and proposed the toast to the "immortal memory" at a Naval Home Command dinner held last night at Fort Southwick to mark the anniversary of Nelson's victory at Trafalgar.

Commander A.W.V. Thomson presided.

HMS Sultan

Vice-Admiral the Hon Sir Nicholas Hill-Norton, Flag Officer Surface Flotilla, proposed to the toast to the "immortal memory" at a dinner held last night in HMS Sultan, Gosport, to mark Admiral Lord Nelson's victory at the battle of Trafalgar.

Commander P.W.H. Swan, Commander, presided.

Anchormen

Captain R.M. Kohler, RN, presided at the Trafalgar night dinner of the Anchormen held last night at the Cafe Royal.

Admiral Sir Julian Oswald, First Sea Lord and Chief of Naval Staff, was the principal guest and proposed the toast to the "immortal memory".

Commander A.W.V. Thomson presided.

Church news

Nord Bishop of Birkenhead

The Rev Canon Michael Langrish,

Team Reeme of Rugby, and an Honorary Canon of Coventry Cathedral, diocese of Coventry, is to be Suffragan Bishop of Birkenhead, diocese of Chester, succeeding the Rt Rev Ronald Brown, who has retired.

The Queen, Captain General of the Royal Artillery, has approved that the summer dinner held annually at the Royal Artillery Mess, Woolwich, is to be named the Alamein dinner from 1992 to mark in perpetuity the part played in the battle by the regiment.

The Lord Mayor of London was the principal guest at the first Royal Artillery Alamein dinner held last night. General Sir Martin Farndale, Master Gunner, St James's Park, presided.

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COURIER AND EXPRESS SERVICES

From leather-jacketed courier to jumbo jet, Bill Cater examines the rise and rise of the £2,500-million express delivery industry

A parcel of potential

A few years ago in London's Aldwych, just around the corner from the London School of Economics, there was a casual rallying-point for idle motorcycle couriers. Black-leathered, helmeted, radios squawking, they leant on their machines to talk and joke until their own particular radio's squawk sent them wheeling away.

It would have been a good place for the professors of the LSE to have taken their students for an illustrated lecture on commercial development, the evolution of business communications, the role of the entrepreneur, or a dozen other subjects, with examples.

For what has happened in courier and express-mail services in the last 30 years, and is still happening, is what happened a century or two ago in many other industries — textiles, metal-bashing, chemicals.

Even the most ancient and aircraft businesses are almost old enough for industrial archaeology; but in courier and express services it is all happening now: the beginnings of the industry, one-man outfits, expansion, diversification, ra-



Object lesson: courier services exemplify entrepreneurial flair

tionalisation, big swallowing small and sometimes getting indigestion: the rise of giant multinationals with newcomers snapping at their heels.

The industry is new enough for figures about it to be imprecise, but in 1990-1 United Kingdom turnover alone has been estimated at more than £2,500 million.

New markets are opening up, in East Europe, the former Soviet

Union, the Pacific basin, China,

package traffic out of the air or off the sea.

To be a player in the courier and express mail business it would help to have a handful of jet aircraft, a fleet of trucks and vans, depots, warehouses, sorting hubs and a computer system, plus a lot of people who know the value-added tax and Customs & Excise rules for part-finished industrial products brought to the European Community from Taiwan via the United States for further processing and export to the Canary Islands.

However, brave entrepreneurs still start with a few thousand pounds' telephones, radios, a town map and a few reliable chaps with motorcycles. They know that many companies now given to counting in millions are still run by the people who started just that way in the 1960s or 1970s.

A loner might even set up with just a telephone answering machine, a phone-card, a satchel and a bicycle. Indeed, rumour in the industry insists that someone did, and made a living.

After all, On Your Bike was the name of a successful London bicycle courier business.



Looming presence: United Parcel Service is bringing its weight to the British market

How much can you express for £25?

Send it overseas by courier and it'll cost you around £25. But send it Swiftair and your international mail will get priority handling for just £1.95 plus postage. That's a saving of around £20 on every item. Which means you can afford to express a whole lot more with Swiftair.

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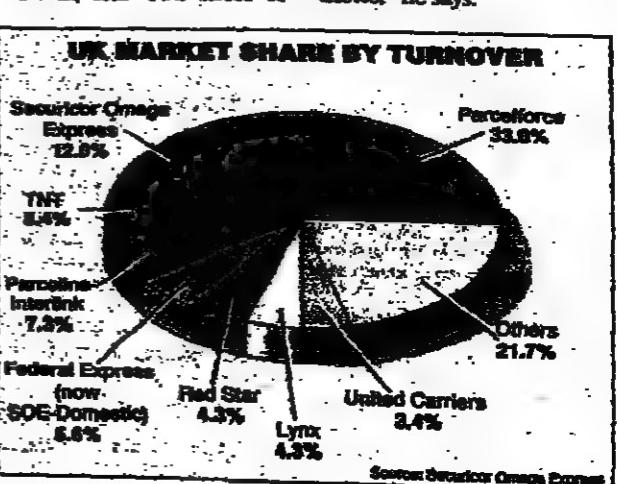
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Two wheels are better than four

To the distress of bigger operators with hundreds of trucks and fleets of aircraft, the picture produced in the layman's mind by courier and express mail is of a messenger on a motor cycle. But a lot of the industry did begin that way, on two wheels, and one section of the business can still profitably say "four wheels bad, two wheels good".

Pony Express began in 1975 on two wheels. Six years later it was successful enough for Securicor to acquire it, but it was still small - its turnover did not reach £1.1 million until the following year, 1982.

In 1983, Pony Express opened a second branch. In 1985, it had six branches; in 1987, nine in 1988, 16, and a turnover of £8.2 million. In 1991, there were 27 branches and turnover nudging £10 million. Today it has 600 vehicles, but 300 are still two-wheeled. There is nothing to beat a motorbike over a distance in and out of traffic.

Simon Baker of Securicor Despatch, however, knows something better than a motor

Cycles still make the fastest city deliveries, says Bill Cater

cycle for the heart of London - a pedal cyclist. His company's business rests on about 50 of them and similar numbers of motor cycles and vans. He runs the postbikes.

"I was a cycle rider," he says. "I started in this business as a rider, then became a controller. Everyone in the business knows me as Paris, because that was my call-sign when I was on the road."

Today all his cycle controllers are erstwhile riders: "It's too easy for controllers to push tidders harder and harder if they haven't done it themselves."

A rider might cover 30 miles one day, 80 the next. Motorbikes beat them over a distance, but they are faster in the heavy traffic of the City and West End.

"We have an 18-month

waiting list for people who want to join us as cyclists. The number of university graduates among them is very high, and I think the cyclists are better motivated than on the other side of the business," he says.

Riding seems to become a way of life, a part-time way for some who work only two or three days a week, a way of seeing the world for others. "One of my riders worked in San Francisco, New York, Frankfurt, Berlin, Madrid, Boston, Toronto," Mr Baker says. "For safety, in the last four years, we have had just two accidents - and it's the drivers' who are being prosecuted."

He regrets that he has never come across the courier who is said to roller-skate about his work. "But there are people who do it on foot."

That would not appeal to Security Despatch. One of its selling points is a guaranteed one-hour delivery within its ten central postal districts.

A-Z is another firm built on two wheels, first registered in 1980 and acquired by the

Securicor group in 1990. Who merged it with its five other London courier companies.

Today it runs a courier fleet of more than 350 motor cycles, pushbikes and vans.

"I've seen a 25 per cent increase in turnover on the year before," says Richard

Shirley, the managing director. "And we've taken a step into fleet management, replacing other business lost because of recession."

"The London courier fraternity is well qualified with the skills needed to go out into other sides of the industry, to change and evolve rapidly," Mr Shirley says.

That includes financial skills. "Clients have become much more serious about costs, and we have been able to provide highly efficient cost analyses for them. At the end of the month we can analyse what each of a customer's branches has had, allocated to up to 999 of the customer's own cost centres."



On their bikes: the pedal cycle is ideal for couriers in central London

Small fry pick at the big fish

The express mail and courier business is still a game small players can play - and win, Charles Fredericks writes. When Securicor Omega Express drew a pie-chart last year of the United Kingdom market share by turnover, it showed eight big companies sharing 78.3 per cent of the pie.

The rest of the pie went to "others", the smaller companies. With 21.7 per cent, their share was bigger than that of Securicor, nearly three times TNT's, three times Parcelforce's and five times Red Star's. Small is big business.

According to other calculations there are about 1,000 smaller operators, ranging from one-man outfits to quite significant groupings. But one thing is clear about small operators: they can grow.

Peter Kane and his brother Michael have been in the courier and express mail business since 1971, when they started Business Post in Harrow, in northwest London. By 1985, their turnover was £2.2 million. Last year it was £23.7 million with profits of £1,750,000. "This year we are on target for £33 million," Peter Kane says. "I suppose we

are now one of the top people below the big boys like Parcelforce and TNT."

Business Post operates from 15 wholly-owned regional hubs and 50 local franchise depots. It employs 460 people and a 600 more work for its franchisees.

Some of the industry's big fish huff about the smaller fry. Tom Bell, managing director of TNT Express, complains that many smaller carriers give all of them a bad name. "I'm surprised that customers entrust their goods to certain outlets, often when there is no insurance cover and no record of service quality," he says.

The trend for growth is reported by many small courier and express mail operators and confirmed by comments from the other end of the business. When Federal Express decided to withdraw with bruised pockets from Europe, Peter Child, the marketing director of Parcelforce, declared there was now almost a pattern of smaller companies doing better than big.

Colin Millbanks, Parcelforce's chief executive, agrees. "Big in the parcels business", he says, "is not necessarily beautiful".

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But you can trust us to do more than just get your parcel there at the right time and at the right price. You can trust our staff to be smart, efficient and polite at all times. That's because we know when we deliver your parcels to your customers, we're also delivering your company's image.

Businesses throughout Britain trust us to deliver one and a half million parcels a week. They know that a company with Securicor in its name is a company they can always depend on.

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Parcelforce gets ready for market

The biggest operator in the parcels industry is for sale - Parcelforce, which used to be Royal Mail Parcels, and before that just old-fashioned parcel post. But nobody knows yet when or how, or at what price; and the private operators it regards as shunting a little uneasily at the thought.

Privatisation is a good idea, they agree: competition is just the ticket. But Parcelforce is so big. Last year it had one third of the entire United Kingdom market measured by turnover - over £500 million, nearly three times as much as the next biggest operator, Securicor Omega Express, and nearly four times as much as TNT's UK turnover.

Only a fraction of that was in the best-paying end of the business, next-day delivery. Nevertheless, every working day Parcelforce delivers nearly 750,000 parcels. It has not grown fast on them: in 1991-2 it lost £24 million. This might look bad, but the previous year, the losses were more than £130 million. Now it is breaking even, says Malcolm Kitchener, Parcelforce's managing director.

And so it should, say the private operators. As a state postal service, it does not have to charge value-added tax as its rivals do, which gives it a 1½ per cent advantage. Admittedly, most of the private operators' customers are trying to recover the VAT, but tying up that extra money when cash-flow is vital and the extra paperwork can make all the difference in a highly competitive market.

"VAT is often cited by our competitors," Mr Kitchener says. "In fact the VAT rules hurt this business rather than help it - because we don't charge VAT we can't recover the VAT we pay on our supplies."

However, VAT is not the only complaint. DHL, one of the largest international courier services, recently published a comparison of the forms that must be filled for imports and exports. For private carriers, they run to 16 paragraphs, by post three.

CHARLES FREDERICKS

Even stray pigeons can provide a niche for delivery firms offering distinctive delivery services

Specialism is the key to success

When competition's cold winds blow, smart traders look for a sheltered niche, a business area they can make their own. In 1992, niche marketing has proved valuable for express and courier companies big and small.

Distribution of Madonna's notorious book from publishers to bookshops, for example, is being handled by Securicor Omega Express; not because the book needs particular protection against hijacking, but because Securicor specialises in carrying books.

"Ten years ago we identified the leisure industry—records, tapes, videos—as a niche we should particularly like," says Richard Benson, the managing director. "More recently we saw an opportunity with books. We have carried books for publishers for 15 or 20 years; we were already delivering to a great many bookshops so it made sense to target the book industry. Now we have 80 per cent of the record, tapes and videos business, and 45 to 50 per cent of books."

That's not Securicor's only niche. It transports 95 per cent of medical-use radioactive ma-



Business wrapped up: Securicor is handling distribution for Madonna's book *Sex*

terials in the UK. And if you lose your bags on a flight, when they eventually get back to Britain the offending airline will most likely entrust Securicor's Luggage Line with bringing them safely and apologetically to your door.

But the biggest niche of all, says Mr Benson, "is that we call at nearly every major bank and building society in the High Street collecting cheques for clearing." Emery Worldwide claims a big niche—for big loads. One of the latest was a parcel 30ft long and with a 5ft diameter: a giant turbine shaft weighing more than 40 tons to be collected in Germany, flown to New York and delivered to a crippled power station. Emery's other specialities are carrying racehorses (1,400 in the last three years) and prize cattle by air.

Group 4 Nightspeed, a smaller company, competes with the big carriers with a niche in secure or fragile parcels, delivered overnight—computers, medical equipment, jewelry, financial documents—"a niche that will grow faster than the parcels market overall," says a spokeswoman.

Nightspeed claims to have been the first parcel-carrier to use a comprehensive tracking system for packages, and the first to use sealed roll-pallet cages, which protect loads

from pilfering and damage. "Although the overall parcels market is static, Nightspeed's market-share is still growing," it says.

Security Despatch is small

but with a rich niche: it guarantees 60-minute motorcycle or pushbike delivery within ten central London postal districts. Simon Baker, head of the pushbike division, says the

main users are "people handling contracts and the financial sector—an hour can make a big difference when banking a cheque for £1 million. Then there are the creative people, in TV, advertising, graphics."

"As a gross generalisation you could say they are people who work on adrenalin: 'This ad's got to be on the air in five minutes' or 'When do I want it? Ten minutes ago!' Delivering press-releases, videotape, film, cassettes, computer tapes. There's rarely anything bigger than A2 size, which you can carry on a bike or a motorcycle, and in the heart of London pedalling can be quicker."

Perhaps the oddest niche of all is occupied by pigeons. When the express parcels market dropped, Bristol-based Amtrak launched Horning Express. Young racing pigeons can't always find their own way home, but owners can be traced by the number-coded on the bird's leg. Horning Express provides specially-designed boxes to carry the birds home; the same boxes carry birds from sellers to buyers, safely pigeonholed.

BILL CATER

strengthen their market position". That means cutting the time and money spent on transportation, inventory controls and warehousing.

"JIT has become fashionable because there are now global production cycles as well as global markets. Parts of cars or washing machines made in many parts of the world need to arrive together, just in time, at the point where they are put together," says DHL's Peter Davies. "In this respect we are an integral part of such a company's production chain. If you like, we're a moving warehouse."

Peter Kane of Business Post says of JIT demands: "You no longer need to have your goods located in a particular place in the UK, you don't need regional warehouses unless you are into very heavy goods. You can supply your customers with next-day delivery from anywhere."

Securicor Omega managing director Richard Benson says warehousing and planning distribution are natural developments for an express carrier: "We warehouse things like calendars and Valentine cards. They are produced over the months, and we hold them until Christmas time or February or whenever."

All the major international operators have set up logistics departments to solve problems for customers who find themselves increasingly into Europe-wide or worldwide business. Logistics is not something alien to the express mail industry. Anyone who has early in a career jugged routes for a fleet of trucks to cover the most business in the least mileage would have no trouble in moving an army and keeping it supplied.

BILL CATER

On the nail, on the dot

Logistically speaking, there's no time like the last minute

In the past, "it arrived just in time" meant that someone had been slack, careless, nearly too late. Now, though, "just in time" is high praise: an organisation whose supplies arrive just in time is precise, efficient, economical like those dedicated, fashionable Japanese managers.

It's so fashionable— who today would boast like a Victorian of full warehouses; all that money tied up in stock? —that the words are trimmed to initials-JIT. And all the best express services help to do it.

The other fashionable management word is logistics, which used to mean the art of moving troops and their supplies, and now means calculating the best systems for moving anybody's supplies. Express services do that for their customers too. Putting the two together has come to mean that express mail firms increasingly provide the warehousing and do the logistical sums to ensure that their customers are kept supplied.

Not unnaturally, air-freight companies believe that there's nothing like air-freight for the job. For customers operating with extremely short inventory turnaround or product cycle times, says Emery Worldwide, "Emery has expanded its Warehouse Inventory System Express programme, which acts as a third party logistics resource to provide warehousing, which together with our express services can improve a manufacturer's responsiveness to its customers".

Companies are realising, says DHL's chairman, Patrick Lupo, "that to develop a global business, their strategies must include logistics management. The first to integrate such strategies with worldwide manufacturing, distribution and inventory control will

Is there light at the end?



Couriers remain ambivalent about the Channel tunnel

A part from shareholders and bad sailors, those waiting most impatiently for the first train through the Channel tunnel may well be express-mail operators. Some believe the tunnel will enable them to set new standards for speed, economy and reliability in delivering between Britain and much of continental Europe. Others believe it will have little effect except as a tool to hold down ferry costs. But nobody can be sure, say potential users, until British Rail can tell them what the service will be and how much it will cost, while British Rail cannot answer without knowing the likely traffic.

Roger Harrison of Red Star, British Rail's own express parcels service, is quite definite, however: "There will be a same-day delivery facility on most of the hourly-interval trains, with customs clearance at each end."

Red Star already takes parcels by air and by sea across the Channel, with same-day services to Brussels, Paris, Amsterdam and Rotterdam, but Mr Harrison believes the tunnel will boost business, with plenty of capacity on passenger trains for sending documents and light packages.

Further ahead, there are plans for an express parcels service, a TGV-type train from London—not to Waterloo, but to a big depot at Brussels airport, competitive with air services. You could do sorting in transit on a train like that which you can't do by air. Leave London about 8.30pm, reach Brussels around midnight, return to London early next morning."

A train costs about as much to run as an aircraft, but can transport at least five times as much. As the amount carried rises, of course, the cost per extra ton becomes smaller. The response to the opportunity was "increasingly repressive night flight curfews". Even the Belgians may not welcome night flights for ever. Then the train and the tunnel may come into their own.

He is echoed by Wayne Denison, director of European operations for Securicor. "The Channel Tunnel? Ask British Rail how many trains, what time, etc., when they tell us we can make planes."

But overnight parcels traffic by air means late night and early morning flights into airports, which are bitterly resented. Already Emery Worldwide has signed a deal to use DHL facilities at Brussels rather than its own European air hub at Maastricht. One reason given was "increasingly restrictive night flight curfews".

Even the Belgians may not welcome night flights for ever. Then the train and the tunnel may come into their own.

THOMAS HELLYER

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THE POWER TO DELIVER

Firms chip away at Post Office monopoly

European Community nations should retain their monopolies on basic letter services but leave virtually everything else, from publications to international express and direct mail services, wide open to competition.

That is the view of the European Commission expressed in a landmark green paper published in June. The commission wants common standards established across the £4 billion-a-year EC postal industry in time for the single market starting on January 1. Like all EC green papers, this is a consultative document, a basis for discussion and debate by interested parties before the adoption of firm legislative proposals.

The commission has unquestionably kept its nerve on the need to improve standards of cross-border, intra-community mail. The green paper condemns the poor quality of present services: it says more competition would be the best spur to improvement. A senior EC official says: "This is where single-market imperatives, commercial considerations and economics combine to make a particularly strong case for liberalisation."

The commission has tried to be fair to both sides, to balance harmonisation of postal services where that is seen as essential, with a basic commitment to some market liberalisation. Perhaps with an eye to Maastricht ratification, it has also been careful not to tread hard on the toes of national postal authorities. It has soft-pedalled on harmonisation and guaranteed a sizable "reserved area" of postal activities to national, and therefore largely public-sector, agencies.

Paul Thornton, PA Consulting Group's specialist in postal communications, deems "the voice of the corporate state — France, possibly Germany and others — reflected in the commission's supine loss of nerve in adopting an unduly slow time-scale for market liberalisation". He thinks the commission should "insist on deregulation of all postal services, except the basic letter

Time to find missing link

What do Transak, Universe Halcon, Fic, Trans IT, AMS and Emcon have in common? They are all computer systems used by express mail and courier companies. What do they not have in common? An ability to communicate with all the others. Computers have been helping the industry for a long time, and they are necessary for even small operators.

Emcon is Emery Worldwide's global communications and computer information network at Dayton, Ohio — its hub — which handles air waybills and data entry. Universe is TNT's Uniform Versatile System for Europe, which will "help deal with administration, sales marketing, operations engineering and personnel, and give instant access to information for depots in Britain, Spain and Germany. Trans IT is a personal computer-based despatch and management information system for installing in the offices of Securicor Omega customers.

Fic is a system used by express mail operators clearing consignments through customs. AMS — Automated Manifest System — is a similar system used by the US customs.

Even quite small companies now use computer systems, such as TRAKBAN, with barcode labelling to trace packages and keep customers informed of any delays. There is one snag. Few systems are compatible. Passing information from company to company for a package that both have handled probably means printing out the details, passing over the piece of paper, and then re-keying them into

BILL CATER



Millbanks: seeking systems harmony

Eastern express on the move

Express mail business with former Communist states has shown explosive growth according to one Western operator. TNT Express Worldwide was able to report an increase of 50 to 55 per cent throughout eastern Europe on the previous year, despite a cut in services to Yugoslavia.

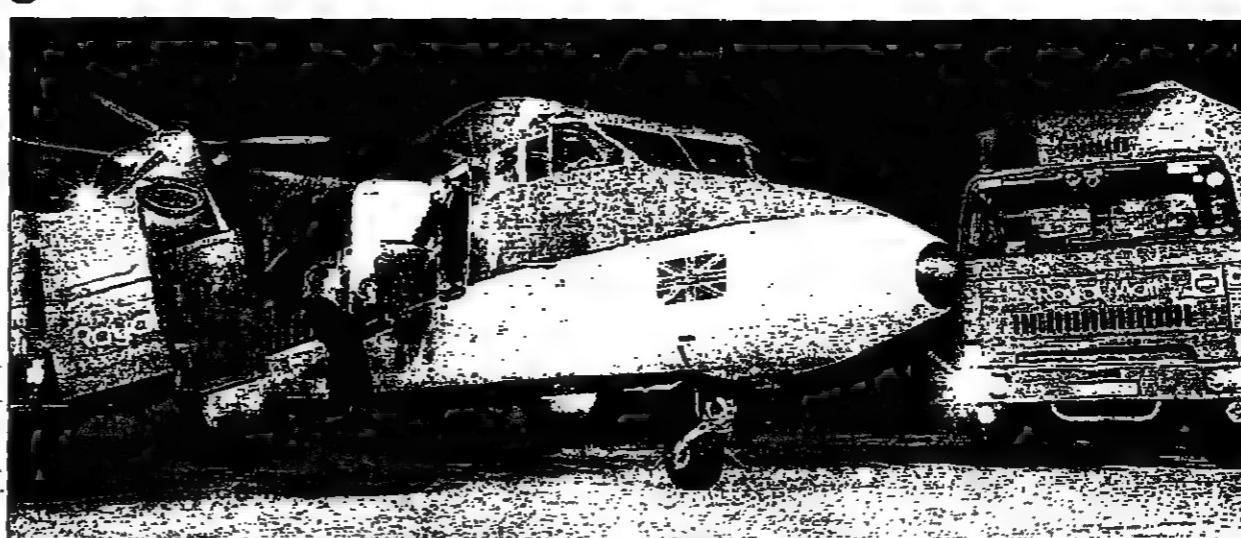
Poland, Russia and Czechoslovakia were in the top six of the company's worldwide list of fastest growing operations. A Helsinki-St Petersburg service, vital to the development of a Russian network, has been set up as well as an air freight service to Moscow.

"There is no doubt about the potential in international mail, documents, parcels and freight as the economies of these countries develop," says John Monaghan, TNT's network development expert. "We are investing in people, vehicles and information technology: resources are even being reassigned to east Europe from other regions that are not doing so well."

"Our priority for the coming years is to turn Czechoslovakia and Russia into 'stand alone' operations. Already our operation in Poland is near 100 per cent Polish-staffed."

Royal Mail Parcelforce has also taken advantage of falling trade barriers in eastern

THOMAS HELLYER



Quick change: mail in transit at East Midlands Airport. The Post Office believes market restrictions are necessary

to carry out this obligation effectively," he says.

Like most other trade-union critics, Mr Johnson pours scorn on the idea that freeing cross-border mail will extend customer choice. He says it will simply allow private companies to cream off the most lucrative business.

The Post Office — which generally endorses the green paper — opposes the exclusion of direct mail from its reserved area. "This would lead to

cream skimming and could force post offices to introduce zonal pricing," Bill Cockburn, the chief executive, says. Mr Thornton says: "Some restrictions on free competition are essential if rural households are to continue to enjoy the benefits of universal access and uniform pricing. The issue is balancing the interests of different consumer groups: rural households against businesses and urban consumers."

Private industry spokesmen

do not believe the green paper has achieved balance at all. Despite lauding it as "the most comprehensive and authoritative statement on European postal services ever produced", Geoffrey Cruikshanks, DHL's regulatory affairs director, is critical. "Problems and opportunities have been seen too much from the post offices' point of view. At times, the green paper reads like a business plan for European post offices trying to exploit opportunities of the single market. It over-simplifies, fails to distinguish adequately between the Community's need for efficient cross-border services and the social need to ensure that the remote areas are served by efficient and affordable postal services."

Mr Cruikshanks says that since only 4 per cent of postal services in the EC are cross-border and intra-community, the social dimension exists only at regional, or at most

national level. "The social need to service the old lady on the Welsh hillside will remain largely unaffected by 1993."

DHL and other express delivery companies are challenging European post offices for a bigger slice of the cake. They are suing Chronopost, an arm of the French post office, for unfair competition. DHL is itself being sued by the Bundespost for violation of Germany's postal monopoly. "These disputes arise out of uncertainty," Mr Cruikshanks says. "We hoped the green paper would provide a clear indication of the regulatory framework that was to exist. We were disappointed."

TNT, one of DHL's competitors, also finds much criticism in the green paper. Tim Bye, corporate affairs manager, says: "It has failed to produce a shred of hard evidence that domestic postal monopolies need a special reserved area to provide their services." Mr Bye also disputes union claims that further liberalisation will prejudice the provision of services. He observes that Sweden is abolishing its national postal monopoly next year. Private and public postal agencies may well find it an instructive model.

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NEWS

BCCI: fraud warnings 'ignored'

■ A damning report from Lord Justice Bingham on the collapse of BCCI brought a package of banking reforms from Norman Lamont, the Chancellor. The Bank of England will be given increased powers to close banks

■ The report denounces the regulation of BCCI as "a tragedy of errors, misunderstandings and failures of communication", saying the Bank of England ignored repeated warnings of fraud..... Pages 1, 5, 17, 29

Maastricht bill next month

John Major returned to the offensive on Europe and the economy. The Maastricht bill will be brought before the Commons by the end of next month and plans for large scale infrastructure spending emerged in Whitehall..... Page 1

Hurdles ahead

John Major has stopped the haemorrhaging this week, but his government is still a long, long way from recovery. It is too soon even to say that the convalescence has started. Peter Riddell looks at hurdles ahead for his cabinet..... Page 2

Life sentences

Leslie Bailey, 39, of Hackney, east London, a convicted child killer, was given two terms of life imprisonment yesterday after admitting the manslaughter and buggery of Mark Tidesley, 7, who disappeared in 1984 after visiting a fairground near his home at Wokingham, Berkshire..... Page 3

Treasure offer

Britain has a chance to secure a private collection of Islamic art said to be worth £1 billion and described as the finest in the world. But are there too many strings attached?..... Page 5

Hospital threat

After months of rumours, Londoners will learn today which teaching hospitals are to be recommended for closure. The Tomlinson report will say that it has too many teaching hospitals, too many specialist units for such services as kidney dialysis and plastic surgery, and too many research hospitals..... Page 6

Legal aid dispute

Mark Sheldon, president of the Law Society, described proposals for fixed fees for legal aid work as

Walking to Mars' southern pole

While Ranulph Fiennes readies himself to walk across Antarctica, Charles Cockell, an Oxford researcher, has set his sights on another expedition 450 million miles away — trekking across Mars' southern pole. He has identified a 400-mile route from photographs taken by space probes and hopes to persuade Nasa he has a viable proposition..... Page 3



Roy Ijink, the moderate miners' leader, with supporters after his protest 1,200ft down the Silverhill pit in Nottinghamshire Page 9

BUSINESS

Second leg: The British Chambers of Commerce said the economy was now in a second leg of recession. Exports and imports fell last month, leaving the visible trade deficit at just over £1 billion, a fall of less than £100 million on August figures..... Page 25

Property sale: A Basildon industrial estate and three shopping parades came up for sale at auction. But half the lots fail to reach reserves at the Mayfair Hotel..... Page 25
Markets: The pound rose 2.68 pence to DM2.4574 and by 0.97 cent to \$1.6242, taking the trade-weighted index from 79.7 to 80.4. Shares rose for the third day running helped by hopes of a further interest rate cut. The FT-SE 100 index closed 12.4 points up at 2620..... Page 20-23

MOBILE PHONES

Keeping in touch: Despite several delays and false starts, a single mobile telephone network that can be used throughout Europe is likely to come into commercial service by the end of this year..... Pages 33-34

INFOTECH

Mine of information: A modern Domesday Book is in the making. The widely accessible, updated computerised version will be especially valuable in making planning decisions..... Page 42

SPECIAL REPORT

Express services: The scope of the UK market for courier and express services is worth £2,500 million a year..... Pages 20-23

Applied arts: The V&A's new Twentieth Century Gallery reviewed by Richard Cork. Spanish architect Santiago Calatrava's RIBA London exhibition reviewed by Marcus Binney..... Page 37

Reviews

Making It Better, with Jane Asher: exactly the sort of piece for which the Criterion is perfect, says Benedict Nightingale. *The Dutch Courtesan* — Jacobean chameleons at the Orange Tree, Richmond: "New Voices" — three plays by new young writers, at the Royal Court. *The Theatre Upstairs* (Martin Hoyle)..... Page 38

Opera

Carmen as spectator sport. National Indoor Arena, Birmingham (Richard Morrison). Page 39

Storm force: In the desert General Schwarzkopf would compose verses about the eternal winds and the essential littleness of man.... The combination of Iron John and Rupert Brooke, the soldier of seminar, is irresistible. Valerie Grove meets him..... Page 14

In wake of the quake: The devastation and panic of Cairo's earthquake provided the Islamic extremists with the perfect stick with which to beat an administration they are determined to overthrow..... Page 15

Hidden agenda:

In the run up to the crucial vote by the Church of England synod on women priests, Ruth Gledhill explains both sides of the argument..... Page 15

Tonight's choice

Not by *Newsnight* alone politicians continue to be amazingly amenable to the heaping of indignity. Tonight's candidates are Charles Kennedy on *Have I Got News For You* and David Mellor on the return of Clive Anderson *Talks Back*

No rubber stamp

The lesson (Mr Major) must learn is that unpopular policies can no longer be foisted on either the public or Parliament. Both sets of voters have to be gently prepared, almost stroked into submission. And that means far, far better public relations and much more forethought..... Page 17

Royal warrant

There were a few boos and whistles, and a thrown egg or two yesterday in Dresden, from neo-Nazis and other irreconcileables.... Nevertheless this week's visit of the Queen to Germany will do more in the long term for Anglo-German relations and the unity of Europe than all the painstaking diplomacy of politicians, bureaucrats and bankers..... Page 17

SIMON JENKINS

It was the nobles' nationalisation. When the history of postwar Britain is written, nothing should be so lauded as the way the great houses of England were brought into public ownership.... Displaying the past is a talent at which Britain reigns supreme..... Page 16

NICHOLAS BETHELL

The last piece has been discovered of a puzzle that has bedevilled historians and governments alike ever since April 1943, when the bodies of 4,000 Polish officers were unearthed in mass graves at Katyn, near Smolensk, in western Russia..... Page 16

Lord Laing of Dunphall, a director of the Bank of England until last year, writes that criticism of the Bank in the Bingham report on the BCCI affair is unjustified. Page 17

Inkatha blames the ANC, the ANC blames Inkatha and the security forces and the government blame everyone else. Party apologists continue to turn a blind eye to the excesses of their members. Their own intemperate utterances contribute to the atmosphere of lawlessness..... Johannesburg Star

Divided nation

Omens for peace in what was once Yugoslavia are far from good, with factional leaders changing their tune to suit their military positions as Serbs and Croats battle to divide Bosnia-Herzegovina..... Page 13

Private army

A gun battle outside the Russian parliament — in which a guard died and another was hurt in a clash with police — has increased suspicions that White House guards have formed themselves into a private army outside the control of the authorities..... Page 13

SPORT

Sent off: Bruce Grobbelaar was sent off as Liverpool lost 4-2 to Spartak Moscow in European soccer in Moscow yesterday. The score was 2-2 when he brought down an attacker, conceding a penalty and getting a red card. David Burrows, who took over, could not save the penalty..... Page 48
Sponsorship ends: Barclays are to end their six-year sponsorship of the Football League "for commercial reasons" at the end of the season..... Page 48
Cricket history: Zimbabwe drew with India in Harare to become the first country to avoid defeat in its first Test since Australia beat England in 1877..... Page 46

Elizabeth Peacock, sacked from her government post for voting with Labour after speaking up for the miners, finds she has plenty of support..... Page 9

The small town of Melksham in Wiltshire is celebrating its brief moment of glory as midwife to the career of pop legend Gary Glitter..... Page 14

The tide is turning for Hillary Clinton: are US electors getting used to the thought that a president's wife may be clever, public spirited and forceful?..... Page 16

Edward Browning, serving life for the M50 murder of Marie Wilkes in 1988, had his case referred to the Court of Appeal by the Home Office..... Page 3

THE TIMES CROSSWORD NO 19,057

- Substitute stable-boy — there's nowhere for him to sit here (8-4).
- Crow flies other than straight, causing unnecessary alarm (5).
- Entice pupil to speak slowly (5).
- The best of the shearers spit (6).
- Batsman should be showing growth (8).
- Pass university course in French town (6).
- Pier isn't changed — it's in the original condition (8).
- Concerned about the French glide (8).
- Father needs shelter, that's obvious (6).
- Standard spear, in a manner of speaking (8).
- Curiously examine pitheads before closure of mine (6).
- Record books always around (5).

Solution to Puzzle No 19,056

MALEFACTOR SPUD
M I A H E E I
M E L D A T O C S T D R U M
I Y N W T B M I
B C A N D I N A V I A N
C G O N R E B I
A N A L G E B I A O A S I S
L E R E U T M I H
M O N T S T E V E O G R E
P R O C R A T O R Y
S N N C O I K B
E P I C D I S I N C L I N E
B E O S A W R
T A Y I U N D E R L Y I N G

- Busy spinster May, say, turned after the cake (2,3,4).
- People being given drugs may become nervous (3,3,6).
- DOWN**

 - Got rescued when in distress (7).
 - Dress with a flared skirt, by the sound of it (5).
 - Girl's irritability gives rise to complaint (9).
 - When hands get together, nobody lacks energy (4).
 - When cut down, are glad rats found in a factory? (8).
 - Monks in command (5).
 - Aspirate required to spell hanger-on (8).
 - Cheat has to run away from church (6).
 - Curse water on top of old vehicle (8).
 - The main sort of block to be seen from the air when coming in to land (3,6).
 - Someone outstanding in composition (5-3).
 - Policeman with two characters in custody (6).
 - Support expressed ambiguously in letter (7).
 - Correspond, getting a note in time (5).
 - The public promise to accept money (5).
 - Nasty eyecore, to some extent (4).

Concise Crossword, page 48

TIME'S WEATHER CODE

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Greater London Kent, Surrey, Sussex, Dorset & W IOW, Devon & Cornwall, Wilt, Gloucestershire, Som, Berks, Bucks, Oxon, Glos, Hereford & Worcester, Shrop, Salop & Mon, Mercia, Nott, Derby, Leicestershire, West Mid & Sth Glos & Wext, Shrops, Hereford & Wors, East Midlands, Lincs & Humberside, Dyfed & Powys, Gwent, N W England, W & S Yorks & Dales, N E England, N & S Lakes District, S W Scotland, W Central Scotland, E Central Scotland & Borders, N Central Scotland, Grampian & E Highlands, N W Scotland, Cumbria, Cheshire & Shetland, N Ireland.

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ARTS 37-39

A Carmen for the crowds



INFOTECH 42

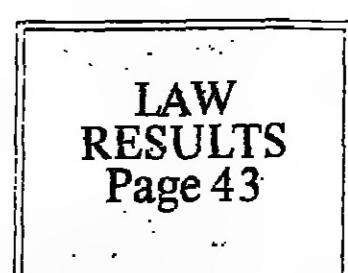
Converting portable computers

AP Photo/J.W.



SPORT 44-48

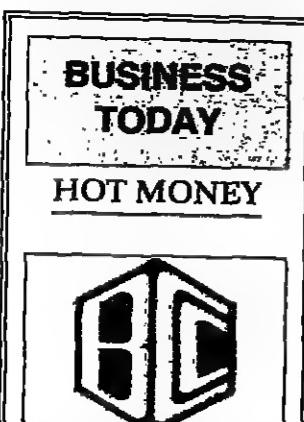
Steve McManaman shines on a gloomy day for Liverpool



LAW RESULTS
Page 43

THE TIMES 2

FRIDAY OCTOBER 23 1992



BUSINESS TODAY

HOT MONEY



Neil Bennett explains how BCCI was able to get away with so much for so long, fooling banking regulators worldwide Page 29

US-MADE

GKN will invest £31 million in North Carolina, hoping to benefit from Japanese orders for American-owned components Page 27

SHAKE-UP

A shake-up at Isosceles brought the departure of Bob Willett as chief executive of Gateway supermarkets Page 27



Carol Leonard talks to Bill Cockburn, new chief executive of the Post Office, who has been rising through the ranks for 31 years to land the top job



US dollar 1.6242 (+0.0097)
German mark 2.4574 (+0.0268)
Exchange index 80.4 (+0.7)
Bank of England official close (4pm)



FT 30 share 1969.8 (+18.5)
FT-SE 100 2658.1 (+12.4)
New York Dow Jones 3175.49 (-11.61)
Tokyo Nikkei Average 17013.04 (-128.48)



London Bank Base: 6%
3-month Interbank: 7.2-7.7%
3-month simple bills: 7%-7.7%
US: Prime Rate: 5%
Federal Funds: 2.75%
3-month Treasury Bills: 2.91-2.90%
30-year bonds: 9.5%-8.5%*



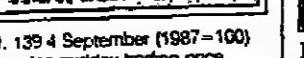
London: New York:
\$ 1.6213 £ 1.5210*
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FF 8.2855 \$ 1.5255*
Yen 126.09 \$ 1.2085*
Index: 80.4 \$ 1.627
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£ ECU 1.249720 \$ DR 1.137833
London Forex market close

GOLD

London Fixing: AM 5342.80 PM 5342.65
Close 5342.90 5343.30
New York: Comex \$ 343.75-344.25*



Brent (Nov) \$20.10/bbl (\$20.35)



RPI: 139.4 September (1987=100)
Denotes midday trading price

Exports and imports shrink

US and Germany follow Major's dash for growth

By ANATOLE KALETSKY

SHARP falls in both imports and exports in September offered additional justifications for John Major's commitment to a new "strategy for growth".

With the signs of weakness in the international economy multiplying, key policymakers in Germany, America and Italy indicated that they, too, would put more stress on promoting economic growth and cutting interest rates.

The volume of British exports declined 2.2 per cent while the volume of imports fell 2.8 per cent in September, to produce a slightly reduced visible trade gap of £1.2 billion in the month. Answering questions in Parliament shortly after the trade figures were released, John Major repeatedly cited the weakening of the world economy as one of the main reasons for his policy U-turn.

In Germany, the finance and economics ministers issued remarkably similar messages to those of the British prime minister about the dangers of recession in Europe and the need for German government and Bundesbank to agree on a strategy that would give priority to boosting growth. While Bundesbank officials did not comment on the apparently co-ordinated calls for growth from Theo Waigel and Juergen Möller, the finance and economics ministers, they confirmed that German interest rates were now on a downward trend.

Meanwhile in America, Robert Parry, president of the Federal Reserve Bank of San Francisco, declared that the Fed would not rule out further cuts in American interest rates from their present 3 per cent, "given persistent sluggish eco-

nic performance and our expectations of only a modest expansion". He added that the progress made in America against inflation offered the central bank "greater latitude to respond to weakness in the economy" if this was required.

In Italy, Giuliano Amato, the prime minister, said that lower interest rates would play an essential part in his government's programme to reduce the country's swollen government deficit. The bond market soared by almost two full points after the parliament passed several of the most controversial provisions in the government's budget bill.

While there was no sign of international co-operation in yesterday's series of official statements, they underlined the widespread hopes in financial markets for further substantial interest rate cuts around the world, but they

also confirmed the growing disquiet among world leaders about the dangers of an international economic slump.

Apart from Britain, where Mr Major underlined to Parliament his new-found commitment to generate growth and jobs, the clearest signs of a change in tone came from Germany, where Herr Möller warned of "alarming" trends in "core areas of the economy", including cars, chemicals and engineering and added that rebuilding the eastern economy would be impossible without adequate growth in the west. Herr Waigel stressed that "every percentage point of extra growth generates extra revenue of DM7 billion" and added that "in order to shoulder the present challenges, we must therefore give priority to boosting growth".

For Britain, the warnings about a world economic slowdown were manifested in the September trade figures. These showed a current account deficit of £963 million, compared with £1,051 million in August. Government statisticians said the effects of the pound's devaluation after its exit from the ERM on September 16 had little impact on the month's figures.

The underlying trade gap, which excludes earnings from oil and erratic items such as aircraft and precious stones, provided a brighter picture. This deficit narrowed by more than £350 million to £1.3 billion, after an unusually high figure in August.

Invisible items, such as banking, insurance and tourism, were estimated to be £100 million in surplus in September. Excluding invisible items, the deficit in traded goods was £1,063 million — a drop of less than £100 million on the previous month.

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Albert Fisher earnings past their best

THE glory days are well and truly over at Albert Fisher. They departed with Tony Millar, the man who created the business. The message from his successor as chairman, Stephen Walls, is of a steady but unexciting future, which will come as good news to those shareholders for whom the excitement of the past few months may have been rather too much.

Fisher's shares, already under pressure, plunged in July after a profit warning that presaged Mr Millar's departure a fortnight later. It fell to Mr Walls to unveil the extent of the damage yesterday.

He reported a fall in pre-tax profits from £89 million to £52.1 million, even before £23 million of below-the-line provisions from the disposal of a Dutch mushroom business.

The new chairman has only been on the board since the end of last year, and these are still early days in the group's recovery. Mr Walls managed some damage limitation, however, by maintaining the final dividend at 1.9p and the total at 3.75p, covered by earnings per share of 5.6p ahead of the extraordinary items. Fisher took a £10 million exceptional charge to cover rationalisation and merger costs, redundancies and other restructuring.

Profits from fresh produce in Europe, where Tim Howden is chief executive, halved to £7.5 million, while in America, headed by Lenny Pippin, Fisher had to contend with earthquake, riot and hurricane. Volumes and average prices were more than 4 per cent lower, profits were



Limiting damage: Stephen Walls, centre, Albert Fisher chairman, with Lenny Pippin and Tim Howden.

off 43 per cent at £10.8 million. The balance sheet remains strong, although cash in the bank has fallen from £70 million to £30 million after heavy capital spending and will almost disappear this year. Mr Walls can hope for no recovery in fresh food markets much earlier than next spring, when some of the glut of produce still overhanging the market will have worked its way through the system. Even

then, some areas such as tree fruits will remain over-produced for some time to come. He is promising other unspecified attempts to increase shareholder value and is putting in place the option to buy back shares, which currently yield 12 per cent. The market was largely unmoved, the shares easing 1p to 41½p.

Michael Laudynmore, at Henderson Croftswaite, is forecasting a tentative range for this year of between 50

million and £55 million, which puts the shares on about 7.5 times earnings. Mr Walls believes the businesses are capable of double-digit earnings growth organically, but the market is going to take a little more convincing.

Sketchley

THE quality and worldwide business experience of its directors, rather than its dull dry cleaning and textile ser-

vices interests, hold the key to where Sketchley goes from here.

Tony Bloom, deputy chairman, was a powerhouse during his business years in South Africa. David Davies, chairman, and John Richardson, deputy chairman, both left their mark in the Far East and Australia, and none of the three came to Britain merely to run a dry cleaning outfit.

Stage one of Sketchley's

reconstruction is complete. Profitability has been restored, the balance sheet is stronger and dividend payments have been resumed.

Further evidence of the turnaround from the loss-making days of 1990 and 1991 comes with interim results for the six months to October 2. These show pre-tax profits of £3.11 million, compared with £3.19 million, on a turnover of £53.7 million (£54.8 million). An interim dividend, the first for years, of 1p is declared, and the year's total could easily be 4p a share, compared with 3p last time.

Sketchley's relationship with British Coal, which accounted for 61 per cent of its textile services business when there were 95,000 miners, will make some investors nervous, in view of the government's pit closure plans. But as long as pit closures do not all happen before the end of March, 1993 full-year profits will not be seriously dented.

Dry cleaning is still tough and more customers are needed, but gearing has been further reduced from 31 per cent to 28 per cent and is headed for between 15 and 18 per cent by the year end. The

group continues vigorously to defend itself against claims of £9.3 million made by Eurocopp.

Year-end pre-tax profits of £6 million (£6.02 million) would be a respectable outcome against a difficult background; to put the shares at 92p, up 4p, on 11.8 times prospective earnings. This cleaned up group will either be bid for, or taken by its present board in new directions. Hold on.

Sears Roebuck in red for first time in 60 years

SEARS Roebuck and Co, the world's third largest retailer, reported its first loss in nearly 60 years — \$353.7 million or \$2.25 a share, in the third quarter. The loss follows a jump in insurance claims from hurricanes Andrew and Iniki and compares with a profit of \$229.2 million, or 67 cents a share, last time. Revenue edged higher to \$14.49 billion from \$14.3 billion. Its last loss — \$2.5 million — occurred in 1993.

Sears took a \$1.25 billion after-tax charge to cover insurance claims at its Allstate Insurance subsidiary from last month's hurricanes. Allstate lost \$840.2 million for the quarter, against a \$158.2 million profit a year earlier. Sears' core merchandising operations, which it has been struggling to restructure and make more competitive with Walmart and K-Mart, the world's first and second largest retailers respectively, lost \$36.4 million for the third quarter after a \$54.4 million profit last time.

Brent Walker sale

BRENT Walker, the debt-laden property and leisure company, has sold Interactive Media Services to management for £12.7 million. IMS, which provides sports information by telephone, is the largest British user of British Telecom's premium-rate network. A consideration of £10.2 million was paid in cash; a further deferred payment of £2 million is secured on the assets and business of the buy-out company. The book value of the assets on December 31, 1991, was £1.5 million. After-tax profits for the year to last December 31 were £2.45 million.

Quinton to lead Wimpey

SIR John Quinton, chairman of Barclays Bank until his retirement at the end of this year, is to become non-executive chairman of Wimpey, Britain's second biggest housebuilder. He replaces Sir Clifford Cheewood, who will retire after more than 40 years with the company. Sir Clifford became chief executive in 1982 and executive chairman in 1984, heading the company through the golden years for the industry in the late eighties. He became non-executive chairman at the end of 1991. Sir John, chairman of football's Premier League, is currently a non-executive director of Wimpey.

Granada shake-up

GRANADA Television's executive board has been cut from nine members to five by Charles Allen, the new chief executive. Steve Morrison, formerly director of programmes, becomes managing director of broadcasting. He will also represent Granada on the ITV broadcasting board, to which Andrew Quinn, the network's chief executive, and Marcus Plantin, its network director, will report. David Liddiment becomes programmes director. Mr Allen said: "With nine directors, there were too many cracks for things to fall down."

Mill workers lose jobs

KIMBERLY-CLARK, the company that makes Kleenex tissues, is to make 300 employees redundant at its mill at Larfield, near Middlesbrough, Kent. The mill currently employs 890 people. Bob Chapman, the mill manager, blamed the recession and said the cuts were still needed despite a policy of not replacing staff who had left and the introduction of more flexible working practices. "These actions have been overtaken by the severity of the recession, which has resulted in orders falling well below our predicted levels," he said.

Sarah Lee to sell brand

SARAH Lee Corporation, the American-owned household products group, has agreed to sell its Cherry Blossom shot polish brand to remedy the adverse effects on competition arising from the acquisition of part of Reckitt and Colman's shoe care business. The undertaking was given after the monopolies commission found that the loss of competition between the two dominant brands, Kiwi and Cherry Blossom, provided Sarah Lee with scope to increase its prices before putting at risk its market share of about 74 per cent.

Ferry Pickering dives

FERRY Pickering, a packaging, printing and publishing group, is maintaining its dividend despite a 70 per cent fall in profits. The company reported second interim pre-tax profits of £674,000 in the 12 months to August 31, against £2.6 million last time, after a change in the year end from August 31 to December 31. Turnover fell to £27.8 million (£29.1 million). Earnings drop in 4.4p (12.68p) a share. There is a second interim dividend of 3.4p, which is the same as last time's final. The shares firmed 2p to 71p.

Ferguson lifts profit

FERGUSON International Holdings, the label printer and coat hanger maker, raised pre-tax profits to £4.7 million (£4.2 million) in the six months to end-August, on turnover unchanged at £61.8 million. Earnings per share were 9.3p (8.3p) and the interim dividend is held at 4.25p a share. Interest charges fell 18 per cent to £450,000. The first-half improvement is expected to continue in the next six months as cost-reduction programmes take effect.

Kwik Save buys shops

KWIK Save, Britain's biggest discount supermarket group, is buying 12 stores in Yorkshire and Humberside from William Jackson & Son, the food group, for £13.6 million. The stores have an annual grocery and liquor turnover of more than £45 million and will be handed over in stages between November and February. The ten freehold and two leasehold sites have an estimated asset value of £8 million. Kwik Save has an 8.5 per cent share of Britain's grocery market.

TMC starts possession action

BY SARA MCCONNELL

THE Mortgage Corporation has started legal proceedings to repossess the homes of five borrowers whose mortgages were arranged by Bob Kissane, former Royal Life agent. The homes of a further 27 borrowers could be threatened.

All 32 borrowers were persuaded by Kissane to remortgage their homes and invest the proceeds in a combination of endowments and investment bonds. The money to repay mortgages was meant to come from Royal Life investment bonds but millions of pounds were never invested. The borrowers are unable to make repayments on their loans and arrears are growing.

Leroy Rothe, TMC's chief executive, said that starting possession proceedings was the only way it could get financial information on borrowers. He said: "All we're trying to do is get information about the financial status of these borrowers. Borrowers are refusing to talk to us."

Neil Stevens of Trethowans, the solicitor for 240 former Kissane clients, said the possession orders would be defended, on the basis that deferred interest mortgages of the sort offered by TMC and other lenders are invalid. They argue that the interest rolled up every month in these loans constitutes a series of separate loans. As each of these is less than £15,000, they fall under the Consumer Credit Act, which requires lenders to give borrowers complete documentation about every loan.

Mr Rothe said the company had taken legal advice when it first launched these loans in the 1980s and believed the loans did not fall within the purview of the Consumer Credit Act.

Trading blow forces NMW to recommend ACT rescue bid

BY PHILIP PANGALOS

NMW, the computer services company, is urging shareholders to accept a rescue bid on terms significantly below its stock market value after a sudden and severe deterioration in trading.

ACT, led by Roger Foster, is offering 18p for each NMW share with a one-for-eight share alternative. NMW closed at 41p on Wednesday.

NMW, which serves the financial and professional sectors, said it has continued to experience severe trading difficulties, particularly at NMW Charterhouse. "Trading conditions are not expected to improve materially in the short term and the board cannot be confident of the continuing support of the company's bankers," a statement said.

ACT shares rose 4p to 14.7p while NMW slumped to 18p.

The move is the latest expansive step for ACT, which bought 25.4 per cent of NMW in June for 40p a share. The company has seen its fortunes flourish since it sold Apricot

Plan to reopen Yorkshire colliery

BY ROSS TIERMAN
INDUSTRIAL CORRESPONDENT

MALCOLM Edwards, the former commercial director of British Coal, has applied for consent to lease and re-open Markham Main colliery, one of the ten pits approved for closure by Michael Heseltine, the trade secretary.

As both companies provide software and services to Britain's securities industry, ACT expects to significantly improve the return on NMW's sales and to derive benefits through integrations.

Inevitable undertakings to accept the offer have been received from 10.5 per cent of NMW shareholders. With ACT's 25.4 per cent stake this represents a total 35.9 per cent of NMW's share capital.

NMW, based at Nantwich, Cheshire, made the recommendation to accept ACT's offer as it announced a pre-tax loss of £1.23 million in the six months to end-June, against a profit of £278,000 last time. Turnover dipped to £4.87 million (£4.98 million). The loss per share was 5.7p (0.9p earnings). The interim dividend has again been passed.

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Attali maps out road to Soviet success

BY A CORRESPONDENT

THE head of the bank set up to promote market reform and democracy in Eastern Europe yesterday laid down seven conditions for the success of the transformation under way in the former Soviet Union.

At a conference organised by the Adam Smith Institute, Jacques Attali, president of the European Bank for Reconstruction and Development said there was a clear danger that the attempt to create stability in the former Soviet Union from the ruins of totalitarianism could end in failure.

Second, Mr Attali said that it was crucial to staunch the rapidly growing money supply in order to save the countries of the former Soviet Union from hyperinflation.

He added that the infrastructure of public finances needed to be put on a stable footing by controlling transfers and budget deficits caused by transition expenditures and falling revenue.

Mr Attali's first condition called for priority to be given to tax collection. The lack of an efficient tax system led to starvation of funds to the state.

"A nation is not possible without a consensus on the issue of tax collection by the state," he said.

Second, Mr Attali said that it was crucial to stop the rapidly growing money supply in order to save the countries of the former Soviet Union from hyperinflation.

He added that the infrastructure of public finances needed to be put on a stable footing by controlling transfers and budget deficits caused by transition expenditures and falling revenue.

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The call for actuaries to be used to certify reserves follows

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Gateway chief steps down in wake of Isosceles reshape

By JON ASHWORTH

BOB WILLETT, chief executive of the Gateway supermarket chain, is leaving in a boardroom shakeup. He is stepping down as a director of Isosceles, the investment vehicle that owns Gateway, amid signs of increasing unease among bankers who are owed more than £1.2 billion. Mr Willett earned £142,000 last year, making him Isosceles' highest paid director.

Isosceles, formed through a leveraged buyout in 1989, is struggling to reduce borrowings. The banks, which agreed to reschedule debts in July after months of deliberation, are said to be dismayed by the poor state of current trading.

GKN invests £31m in US operations

By OUR INDUSTRIAL STAFF

GKN, the car parts group, is giving its American operations £31 million to build up two plants in North Carolina and for a new factory nearby, to cope with increased sales.

GKN plans to increase capacity for making and assembling constant velocity joints and driveshafts by about 30 per cent. The company said its North American arm, established in 1976, had been working at full capacity since April to meet demand, after the belated shift by American manufacturers to front-wheel-drive vehicles.

Sales by the North American firm, GKN-AI, are forecast to rise 60 per cent to 3.3 million vehicle sets over the next three years as the company benefits from the combination of new business growth in vehicle sales, and market share gains by existing customers, particularly Ford, GKN's biggest customer worldwide.

An increase in orders for American-sourced compo-

Banks are concerned about trading at Gateway. The chief executive is leaving

They believe that anticipated operating profits of £165 million for the year to April were optimistic, and believe Gateway will be lucky to top £110 million.

Mr Willett will have born the brunt of criticism over any decline in trading. He took over after David Smith stepped down as chief executive of Isosceles in September 1991. Mr Willett was responsible for the management and development of the Gateway chain of stores, which employs 40,000 people.

Alistair Mitchell-Innes, chief executive of Isosceles and chairman of Gateway, is taking over Mr Willett's responsibilities. Bob Nellist, group finance director of Isosceles, becomes deputy chairman of Gateway.

Bankers to Isosceles, including SG Warburg, Midland Bank, the Bank of Scotland, Industrial Bank of Japan and Chemical Bank, have been pressing for boardroom changes.

Ernest Sharp, chairman of Isosceles, said the sale of Wellworth, the company's Northern Ireland supermarket chain, and the intended sale of Herman's Sporting Goods, its American subsidiary, had paved the way for a management reshuffle.

He said: "We are now taking steps to carry out the planned integration of the Isosceles and Gateway board structures. Consequently, the board of Isosceles has decided that Mr Mitchell-Innes should lead the team managing Gateway."

Isosceles is selling Wellworth to Fitzwilliam, the Irish motor and food distribution group headed by Tony O'Reilly, for £128 million. Unconfirmed reports suggest that a potential buyer for Herman's has pulled out at an advanced stage of the negotiations.

The company has been trying to sell Herman's for the past three years. The book value has already been written down from £203.8 million to £57.7 million.

GKN has survived the recession better than most, despite slumping car sales worldwide. In August, it announced that growth in American business, combined with improving sales in continental Europe, had helped put first-half profits back on the growth path, with a 37 per cent rise to £65.1 million, above forecasts.



Awaiting world recovery: Terry Shand says trading conditions remain difficult

Castle communicates 73% rise

By PHILIP PANGALOS

COST cutting and higher licensing profits helped Castle Communications, which markets audio and visual rights, to higher full-year earnings.

Terry Shand, the chairman, said, however, that trading conditions remained difficult.

The USM-listed company reported pre-tax profits ahead of 73.3 per cent to £1.36 million in the year to end-June,

against a restated profit of £782,000 last time. There was a £351,000 exceptional charge, relating to a writedown on empty properties in Putney, London.

Earnings rose to 10.4p (8p) a share. The final dividend is held at 4.5p, giving an unchanged total of 8.5p. The shares climbed 9p to 129p.

Group turnover, affected by past closures and reorganisation, declined 17.1 per cent to

£31.6 million. Like-for-like sales fell about 12 per cent reflecting depressed retail conditions in the UK, although the group was partly protected from the effects of the recession as about 46 per cent of turnover is overseas.

Mr Shand said: "The outlook is bright, but our ability to resume strong profit growth now depends critically on the revival of the world consumer economy."

Yorkshire opposes Carlton's ITN bid

By MELINDA WITSTOCK, MEDIA CORRESPONDENT

YORKSHIRE Television plans to oppose the surprise takeover bid for ITN made by Michael Green's Carlton Communications, Reuters, LWT and Central unless the news company's £53 million-a-year contract to supply ITV with 'News At Ten' and other bulletins is substantially reduced.

A rival consortium bid for ITN, as well as a rights issue as an alternative means of raising the £30 million the Carlton-led consortium plans to invest in ITN, are just two options being discussed informally between Yorkshire, Granada and Thames.

Neither Yorkshire nor Granada wants to pay £53 million each year over five years for ITN's services unless they can continue as substantial shareholders. Without stakes of at least 15 per cent and a board presence, both companies would want to pay only £40 million to £45 million.

They believe ITN's costs would be significantly reduced if the Carlton/Reuters offer were accepted, given the obvious news gathering synergies between ITN, Reuters and its

wholly owned subsidiary Visnews, the international television picture agency. There would also be scope for rationalisation in London, with some overlap between ITN and London News Network, the new local programme to be jointly produced by Carlton and LWT from January 1.

But the Carlton-led consortium has made clear that its offer, which expires on November 4, is conditional on the £53 million a year supply deal. The bidding consortium has offered just £400,000 — £1 a share — to acquire a collective 80 per cent stake from ITN's other ITV company shareholders. The offer is also conditional on keeping 80 per cent of the equity, even though the 1990 Broadcasting Act will force all ITV company shareholders to dilute their collective shareholdings to just 49 per cent by late 1994.

"It's a game of poker," one ITV chief admitted. "Shareholders are happy to pay £53 million because the profits will come back, but customers deprived of those profits will want to pay much less."

Albert Fisher profits tumble to £56m

By MARTIN WALLER, DEPUTY CITY EDITOR

ALBERT Fisher Group ended a traumatic year with pre-tax profits down from £89 million to £52.1 million. The final dividend is maintained at 1.9p and the total at 3.75p.

The food distributor and processor was hit in the second half of the year by the worst conditions in living memory in the fresh fruit and vegetables market, overproduction from the southern hemisphere combining with bumper harvests and declining demand because of the recession.

Stephen Walls, chairman for just ten weeks since the departure of Tony Millar, has instituted a thorough review of operations and strategy.

Mr Walls concluded: "There is no black hole in the balance sheet. We have a

sound business for future growth."

Compensation for Mr Millar has been negotiated and will be contained in the 1991-2 report and accounts.

Mr Walls refused to divulge the sum agreed but denied suggestions it could top £1 million. A sum in the region of £750,000 is more likely.

"We believe the actions taken in the course of the last couple of months put us in a position to generate better profits than seen in the second half of 1992," said Mr Walls.

Second-half taxable earnings fell to £14.9 million, from £44 million in the corresponding period the previous year.

Tempus, page 26



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Nuclear Electric proposes coal link

By PATRICIA TEEHAN

NUCLEAR Electric is proposing an alliance with British Coal to form the basis of a UK energy policy. John Collier, the chairman, wrote a private letter to Neil Clarke, British Coal's chairman, this week, before meeting Michael Heseltine, the trade secretary, setting out his arguments for the two to work together.

Nuclear Electric said the two could fight off the challenge from power stations fuelled by natural gas, which are seen as more environmentally friendly.

Yesterday, Bob Hawley, Nuclear Electric's chief executive, said: "Coal and nuclear are natural partners. To keep carbon or nitrogen oxide (NOx) emissions constant and to meet government emission targets, coal generation needs nuclear power." Without nuclear, he said, pollution levels would rise. Unless the UK retains its energy resources, "we could find ourselves held to ransom" through a dependence on foreign coal, gas and French nuclear power.

Dr Hawley criticised the lack of an energy policy in Britain. He also hit back at recent criticisms over the subsidisation of nuclear power in Britain. The so-called nuclear levy adds 11 per cent to electricity bills in England and Wales.

He said that the levy, which totalled £1.2 billion last year, was not a subsidy for Nuclear Electric's on-going business, but paid for the decommissioning of old Magnox stations. The levy will end in 1998.

Nuclear Electric has its sights set on privatisation after the government's review of the nuclear industry in 1994. Directors have sounded out City financiers and believe the response has been broadly positive.

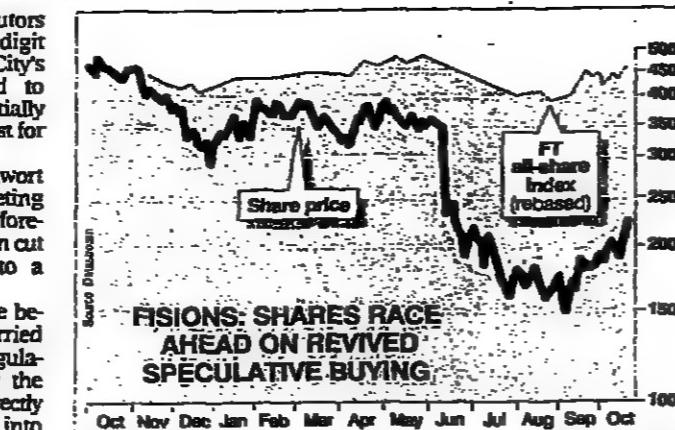
Dr Hawley said yesterday:

"Modern nuclear stations can be built, operated for 40 years,

fully decommissioned, cover all their operating costs and still produce electricity cheaper than gas stations."

STOCK MARKET

Dividend forecast change knocks electricity shares



THE electricity distributors were left nursing double digit losses after one of the City's securities house decided to break ranks and substantially reduce its dividend forecast for the sector.

Salesmen at Kleinwort Benson's morning meeting were told that the firm's forecast for the sector had been cut from an average 14p to a maximum of 10p.

Kleinwort's analysts are becoming increasingly worried that Ofgem, the industry regulator, will refuse to allow the distributors to pass on directly the cost of expanding into other areas of generation to their customers.

Brokers said that Kleinwort's fears were to some extent justified by the news that Ofgem had decided to bring forward its review of the purchase price of electricity by regional distributors.

Losses were recorded in Eastern 14p to 36p, East Midlands 16p to 37p, London 18p to 39p, Marwell 11p to 44p, Midlands 20p to 40p, Northern 17p to 40p, Norway 14p to 46p, Sealord 17p to 39p, Southern 15p to 37p, South Wales 15p to 45p, South West 17p to 40p and Yorkshire 20p to 43p.

The rest of the equity market continued to extend this week's impressive gains cheered by some better than expected September figures showing the trade gap narrowing to less than £1 billion.

Share prices were marked sharply higher despite a gloomy survey from the Chambers of Commerce indicating that the recession is deepening.

But the breakdown of the Gatt talks and a softer start to trading on Wall Street gave hard-pressed market-makers the opportunity to try to drive prices lower in order to attract a few sellers. This week's rise has seen them squeezed by stock shortages.

The FT-SE 100 index, up more than 36 points at one stage, eventually saw its lead

trimmed to just 12.4 at 2,658.1. But it seems that the market-makers' tactics have only limited success. Sentiment remains firm with investors still pinning their hopes on another imminent cut in bank base rates.

There were several large lines of stock on offer, with Lucas Industries losing an early 6p rise to finish 1p easier at 105p after a line of seven million shares went through the market at about the 108p level.

Hoare Govett, the stockbroker, is thought to have com-

petitor. He spoke to analysts round the world via a satellite link-up. Albert Fisher, the fruit and vegetable distributor, eased 1p to 41p after unveiling full-year figures down from 589 million to 522.1 million.

These were the first figures published since Stephen Walls took over as chairman of the group.

The group says economic conditions on both sides of the Atlantic remain depressed.

Hanson rose 3p to 232.1p, boosted by a recommendation from County NatWest. Hoare Govett, the stockbro-

ker, to move our of BTR, down 4p at 500p. The two companies have operated on similar ratings in recent years, but the Hanson is now trading at a discount to BTR for which County believes there is no justification. Hanson's cash flow, profit growth potential, gearing and some of its accounting methods are regarded as superior to those of BTR.

Hanson is making an aggressive £780 million bid for Rank Hovis McDougall, the Homepride and Mr Kiplings food group, 2p firmer at 247.5p.

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Signposts for the next Governor

Lord Justice Bingham is highly critical of the Bank of England's delay in cracking down on BCCI. Yet he reckoned there was not much wrong with the basic structure of banking supervision. That suggests two responses. Tidy up the parts that were shown to be deficient and question whether the people running the system were up to the job.

The Bingham report gives suggestions for improvements, which have been taken up with gravitas and alacrity by the Chancellor and the Governor. It is not clear that they would have helped all that much. The Bank is to set up a legal unit, headed by a distinguished but retired solicitor, to tell it what it can do. Yet it is still not convinced it had the grounds to close BCCI earlier, except for lack of capital, which was to be put right. A new special investigations unit will be run by a well-qualified accountant. Yet the Bank might still have been reluctant to put inspectors in any earlier for fear of damaging confidence. Legislation will be strengthened and auditors will play a greater role. Communications will be improved inside the Bank, between domestic regulators and internationally.

This is all useful stuff, but we have been here before. The Banking Acts of 1979 and 1987 were brought in after similar embarrassments, principally the property related collapse of unsupervised fringe banks and the Johnson Matthey Bankers affair, although these centred on systematic over-optimism and bad banking practice rather than fraud. Sir George Blunden was brought out of retirement to be deputy Governor in 1986 to tighten things up and the Board of Banking Supervision was set up to improve communications and ensure a wider overview of policy and operations. Notably, following Bingham, the Bank plans to "strengthen" procedures for involving the board.

Those now running supervision at the Bank were put in charge last time because they were tougher, grittier, hands-on people. They have generally done a good job. There are few banking scandals and failures in Britain compared with other countries. The Bank now discloses that it has quietly obliged 35 banks — some of them big — to recapitalise, change management or merge within the past six years and has revoked 16 banking licences without making a fuss. As the bank's inglorious role in the Blue Arrow affair shows, however, BCCI may have been unique but it was not a unique lapse by the Bank.

For Robin Leigh-Pemberton, soon to retire as Governor, it is bad luck that the messiest devaluation and BCCI have come at the end of a generally competent term. For his deputy, Eddie George, who is not popular over monetary policy in Downing Street, the Bingham report is likely to be more damaging. When the Chancellor and the prime minister choose the next Governor, they will surely be looking for an outsider.

The Bank's occasionally supervisory lapses stem at heart, however, from the culture of the Bank, which is hard to change. The system runs smoothly because the Bank operates quietly with people whom it assumes not to be competent men of integrity but at least basically professional. It could scarcely believe the scale of fraud and corruption at BCCI. BCCI's impenetrable structure was in place before effective regulation started, but, as banking supervision now agrees, international fraud has now become their fastest growing problem. Attitudes must change. Supervision is the poor relation in an institution where interest rates and foreign exchange occupy centre stage. A quick move to a single European currency might have changed that. As it is, the Bank and its next Governor will need to generate their own change of culture and be prepared to act in the regulatory half of their task like other regulatory bodies whose reputation depends on demonstrating zeal in public.

As the Bingham Report on BCCI is published, Banking Correspondent Neil Bennett examines the background to the largest fraud in history

The international financial community would love to forget the history of the Bank of Credit and Commerce International. The world's most highly regarded regulators, accountants and bankers have been left looking naive and incompetent after being duped for more than a decade in a fraud of unparalleled size and complexity.

Lord Justice Bingham's report rightly questions how the bank was able to get away with so much for so long. The regulatory framework was undoubtedly defective, but the Bank of England and other central banks could have done much more to discover the truth behind BCCI's published accounts when reports started emerging of financial deficiencies as long ago as 1985.

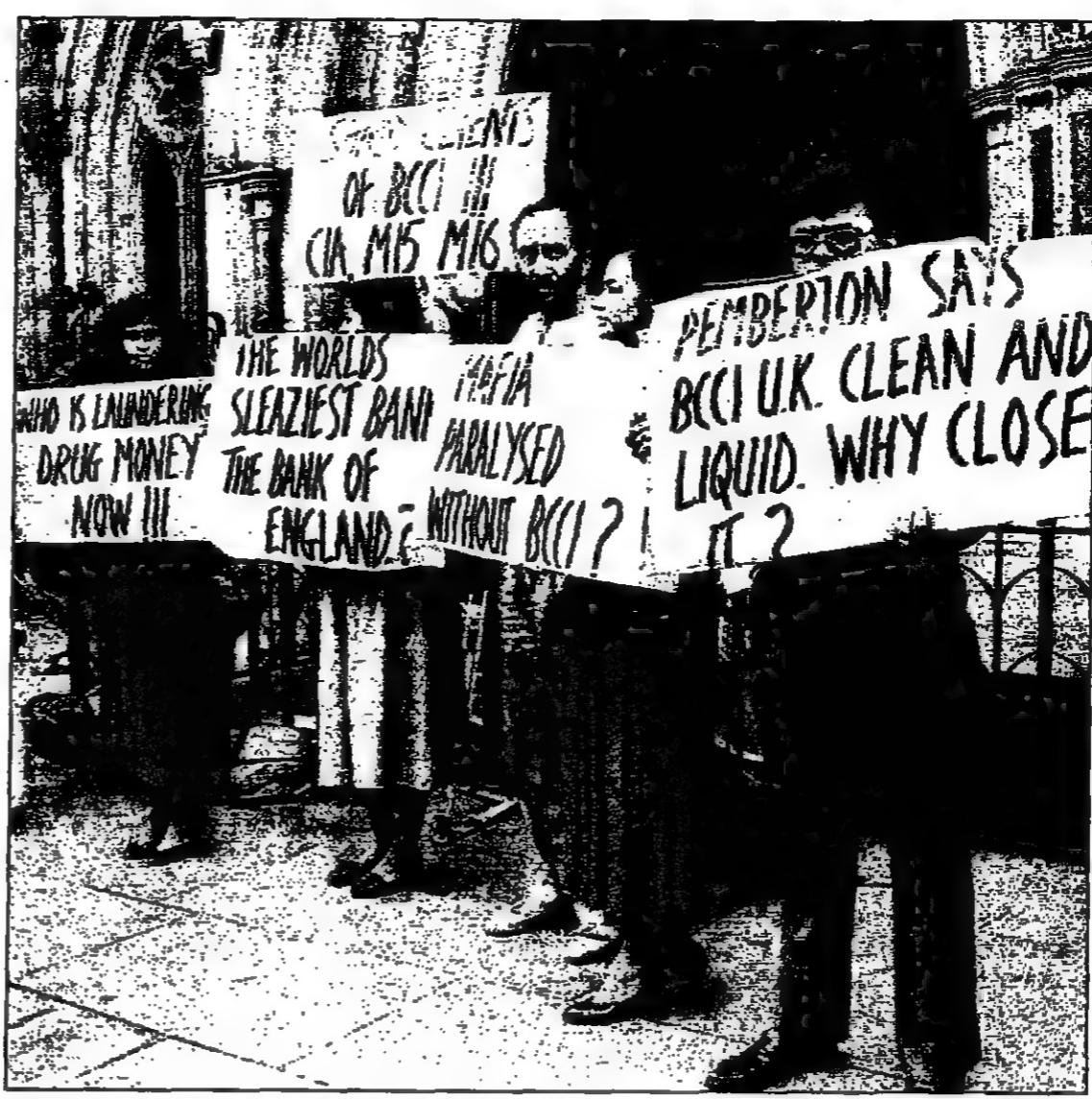
The extent of the fraud at BCCI defies the imagination. Newspapers have tended to focus on the lurid tales of drug money laundering, arms smuggling, terrorist bank accounts and multi-million dollar bribery that abounded when the bank was closed. All of these activities occurred certainly and more besides. BCCI was the banker to the world's most dangerous thieves and murderers and in turn was used by the security services to gather information on their movements and activities. The bank's executives lived like princes and millions

All these operations were really only a sideshow to BCCI's main fraudulent activities, which consumed more than 90 per cent of the bank's assets. BCCI's top management ran an intricate scam worth tens of billions of dollars, which completely fooled the world's regulators for more than a decade.

The operation is detailed in stark language in a report by Price Waterhouse, BCCI's auditor, delivered to the Bank of England in June 1991 and which rapidly led to the bank's closure. The Times has obtained an uncensored copy of this report which reveals the names of all the principals in the largest fraud in history.

The BCCI Group was founded in 1972 by Agha Hasan Abedi with capital from Arab investors and the Bank of America, which pulled out six years afterwards. The bank grew rapidly, setting up branches throughout the world. From the start, BCCI's finances were opaque. The bank was divided into two registered to Luxembourg and the Cayman Islands. In both these jurisdictions, financial reporting was relaxed. The bank used two sets of accounts so it was always difficult to form a clear picture of its consolidated balance sheet.

Mr Abedi had a grandiose vision of his bank, wanting it to become a global force to unite the developing



Closure protest: investors with money in BCCI demonstrate last year after the bank was closed down

world. His dream began to unravel in the late 1970s, when the bank began to suffer mounting bad debts and treasury losses. Gulf Group, a shipping company and BCCI's biggest borrower, was sliding into deep financial trouble.

Mr Abedi and Swaleh Naqvi, his deputy and later chief executive, became worried that if BCCI revealed the true state of its finances, bank regulators would close it. Unlike traditional banks, BCCI had no lender of last resort, so it was particularly vulnerable to any fall in its reserves.

In response, Mr Abedi and Mr Naqvi began to falsify BCCI's books.

The bank's special duties department, run by Hashim Sheikh, took direct responsibility for the Gulf Group accounts in 1978. From then on, the bank ran a worldwide operation to fool auditors and regulators into believing that Gulf Group's loans were still being serviced. It even settled Gulf Group's debts with other banks to make the company seem like a going concern.

The bank set up false accounts in other banks, including Security Pacific and the Royal Bank of Scotland in Singapore in Gulf Group's name. The special duties department secretly deposited sums in these accounts. They were then routed back to the bank to look like interest and principal repayments. The fraud lasted for 15 years, involved 750 accounts and an estimated total turnover of \$15 billion. By the time of the closure, Gulf owed BCCI several billion dollars, hardly any of this is recoverable.

The manipulation of Gulf Group's accounts is only the largest example of dozens of non-performing loans BCCI was forced to suck in funds from an increasing number of sources to service them. The bank created large fictitious loans on its books to repay others, and misappropriated more than \$2 billion belonging to Shaikh Zayed bin Sultan al-Nahyan, the ruler of Abu Dhabi and BCCI's majority shareholder, which he had given to ICIC, its sister investment company, to manage.

The other main source of losses and fraud at BCCI was the treasury department in London. Throughout the early 1980s, the department reported strong profits but was really making heavy losses. One part of the department carried out normal deals, but the other was involved in "numerous account activities". These were carried out in the names of clients, particularly AR Khalil, but the bank was actually trading on its own book and making heavy losses.

The accumulated treasury losses were estimated to be \$849 million in 1976, and these were concealed by unrecorded deposits, fictitious loans and loans from other banks. The government of the Cameroons was one of the unrecorded depositors which has since been repaid.

This, however, was only the start of the fraud at BCCI. Even though in financial trouble, it never lost its passion for expansion. Mr Abedi particularly wanted to establish an operation in America but US authorities repeatedly blocked BCCI from making an acquisition.

Undeterred, it resorted to its usual underhand tactics. It organised a consortium of friends, including Shakh Kamal Adham and Faisal Fulaij, and lent them money to invest in a company called CCAH. This in turn bought a controlling stake in First American Bank, the largest bank in Washington DC.

BCCI always insisted it was merely a financial adviser for CCAH investors.

What the American authorities did not discover until much later was that the investors had no obligation to repay the BCCI loans. Many were given letters protecting them against any repayment demands and they were effectively acting as nominees for the bank.

Using this method BCCI took a 58.6 per cent stake in First American. This circumvented American regula-

tory laws and disguised the fact BCCI had used its capital for the expansion. The operation created dozens of new loans that BCCI had to service, so the fraud continued to snowball. The ultimate cost to BCCI was estimated by Price Waterhouse to be \$1.45 billion. BCCI used a similar trick on a smaller scale in Britain, where Kamal Adham acted as a nominee for the bank to buy a stake in Allied Trust Bank in a joint venture with Barclays.

BCCI's many frauds had cumulated almost \$10 billion by the time the bank was closed in July last year, leaving little more than \$1 billion to share between the hundreds of depositors. The Abu Dhabi government's offer of a cash injection of up to \$2.2 billion has improved the creditors' position considerably.

If the scheme of arrangement devised by Touche Ross, BCCI's liquidators, succeeds, creditors will recover up to 40 per cent of their losses. At one stage, it seemed as though all the bank's remaining assets would be consumed in decades of legal wrangling across more than 60 countries.

Two questions remain: whether the perpetration of the audacious fraud will ever be brought to book and whether the Bank of England and other regulators have taken steps to ensure that the episode will never be repeated.

The Abu Dhabi authorities have been holding 18 senior executives of BCCI, including Mr Naqvi and Zafar Iqbal, the two former chief executives, in custody for 15 months awaiting charges. But others, like Mr Abedi in Karachi, are still at large and living in considerable comfort. Other senior BCCI figures slipped through the fingers of the Serious Fraud Office in the weeks that followed the bank's closure. They include Basir Chowdy, the general manager of the British operations, and Moisul Haque. The SFO is estimated to have spent £10 million investigating the BCCI affair but has so far brought few charges.

The improvement in international bank regulation look more hopeful. Last July, the Basic Committee on Banking Supervision issued a proposal on the minimum standards of bank regulation. In future, this should ensure that banks have a strong home country regulator who can oversee its entire operation, while any country can take action against a foreign bank in its jurisdiction if it believes it is not adequately regulated.

The Bank of England is also asking for a new Banking Act which would allow it to take action against banks with complex structures that could conceal fraud. This would allow sanctions against an institution even when the Bank had no definite proof of fraud.

If these improvements are implemented it should assist in the continual battle against fraud, but in the aftermath of the BCCI affair, regulators worldwide admit they are powerless in the face of determined, systematic deception. Legislation alone is not enough to protect depositors. The Bank of England must have the resources, the personnel and the will to ensure that this sorry episode is never repeated.

THE TIMES CITY DIARY

Starring role for Smith

YOUVE read the book, now watch the movie. Terry Smith, of Stewart Collins, former head of research at UBS Phillips & Drew, is about to become a star of the small screen. Smith, author of the controversial book *Accounting for Growth*, has been approached by Nick Ward, a former Smith New Court media analyst, who now works for Ecosse Films, an independent production company, to make a programme for Channel 4. The programme will be about the two tiers of information available to City investors, depending on whether they are private or institutional. Smith says he was introduced to Ward by Richard Dale, one of SNC's specialist salesmen, who once worked with Smith at James Capel. Smith says: "The commissioning editor at Channel 4 has given Ward a brief. It will also examine other issues, like capital allocation in the stock market and conflicts of interest. It will probably be broadcast within the next few months." As for his new job at Stewart Collins, Smith says: "I'm enjoying it. The firm is a lot smaller, there are no passengers and nobody has tried to sue me today."

Domesday book

INVESTMENT trust managers tempted to be mean with dividends after recent cuts by companies will get short shrift this morning from Hamish Buchan and Robin Angus, County NatWest investment gurus. The duo, famed for

their provocative annual industry reviews, have entitled this year's edition *Domesday for Dividend*. Due to be launched at NatWest Hall, Old Broad Street, at noon, the tome should live up to expectations. It contains a table of the best and worst placed trusts in terms of future dividend payments, which is likely to ruffle some feathers. So too will a recommendation that trusts with big reserves should, if necessary, dip into them to maintain dividends, and preferably increase payments in line with inflation. Buchan says: "We're saying you've got these kites saved up for a rainy day and it's not just raining, it's bucketing and it could be a Noah's Ark by 1993." For high-yielding, new-trust without reserves, he predicts a "hand to mouth" existence.

THE remaining job opportunities in John Major's Britain are definitely not for people who want to stand out in a crowd. The job centre at Brutton, close to where Major grew up, is currently offering £4 per session for volunteers to appear in police identity parades. Staff say the rate is not bad for short-time, temporary work but apparently fear of the short-term developing into something longer term deters many would-be candidates.

Loser — in love

ROBERT Whitaker, one of the most eligible bachelors in the City, could be in danger of losing his single status. Whitaker, 36, until recently a director of Hoare Govett and now with Henderson Crosthwaite, admits he has fallen "madly in love" with Henrietta Hobart, 36, who, until a year ago, was Sir Tim Bell's personal assistant. "She met me and left him," the lovesick Whitaker says, "and she is now doing an MBA at Cranfield." Whitaker's emotional state explains his swelt-like appearance, which worried colleagues at the October Club Dinner — a City charity event — at The Savoy on Wednesday. "It's simply because I'm in love," the once rotund broker says. Whitaker, who has been subjected to more than his fair share of sponsored slims in the past and is now down to 14 stones, has laid down a challenge that he will lose up to two stone before he and Hobart spend Christmas in the West Indies. The sponsorship money will be donated to the Children's Liver Disease Foundation, along with the £120,000-plus from the dinner.

CAROL LEONARD

Directors take threat seriously

From Mr Martin Winter

Sir, Your article "Rules fit to curb unfit directors" (Accountancy Times October 15) was read with interest in this office. Important strands of the report were that the threat of personal liability did not concentrate the minds of directors, that the limited resources available to liquidators often meant no action was taken when directors may have acted improperly, and that directors should be regulated by a professional body.

Our own experience is that directors take the threat of personal liability very seriously. In the past, the requirement of the fraudulent trading cases that dishonesty needed to be proved undoubtedly allowed that incompetence to pass without sanction. Now, the more formidable, wrongful trading legislation will catch the negligent director alongside the dishonest one. The threat of criminal and civil sanction applies both to the executive director whose entire personal wealth may be tied up in the company and the non-executive director with possibly no ownership interest to protect.

The liquidator is obliged by law to report whether he believes there has been wrongdoing — and a director would need to be extremely foalhardy if he were to assume that any liquidator could afford to ignore

his own duties here. A professional body to regulate directors? Great news for the bureaucrats (and probably for the professionals) but hardly the way to encourage much needed enterprise. Such a body would surely represent a case of the operation being a success but the patient dying.

The directors of a company which is insolvent or otherwise experiencing financial difficulties have a simple test to face in determining whether they continue to trade. In very broad terms — whether there is a reasonable prospect of avoiding insolvent liquidation. It is very important that they can demonstrate a clear and accurate record of what has been taken into account (including third party advice) in reaching that decision. If they carry out the right evaluations the risk is minimised even if ultimately it turns out that they are not possible to save the company and the jobs involved. Surely that methodical and commercial approach constitutes a reasonable balance between the interests of a business in difficulty and creditors who, of course, stand to lose a customer, as well as what they are owed, if the decision is taken to wind up the business.

Yours faithfully,
MARTIN WINTER,
Biddle & Co, Solicitors,
1 Gresham Street, EC2.

Letters to The Times
Business and Finance
section can be sent by
fax at 071-782 5112.

Claims can still be made after residential lease is assigned

From Mrs Nancy Crayshaw

Sir, Rodney Hobson writes (14 October) "Tenants of commercial premises remain responsible for the rent for the duration of a lease", even after it has been assigned. It should also be noted that residential properties are equally affected.

Unless the law is changed long-leaseholders who assign their leases could be faced with massive claims for unpaid service charges, ground rents and other costs should any of their successors default on their contract. Few, if any, domestic leases give an indication of this unquantified con-

tингent liability which can continue after death with claims against the deceased's estate.

Yours faithfully,
NANCY CRAWSHAW,
Ex-chairman of the
Flat Owners' Association,
36 & 88 Portland Place, W1.

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No	Company	Group	Date or Issue
1	Welsh Water	Water	
2	Wills Croxton	Leisure	
3	Haworth	Banks, Disc	
4	Grimpion Rd	Industrial	
5	Coss Vylets	Computer Sys	
6	Wilson Gossin	Building, Rds	
7	Rugby Group	Building, Rds	
8	Radient Metal	Industrial	
9	Echelon	Property	
10	Usi Newspages	Newspaper, Pub	
11	Dawson	Textiles	
12	Dalgety	Foods	
13	Cowie (T)	Motor, Air	
14	Boddingtons	Breweries	
15	Whitbread 'A'	Hotels	
16	Charron Co	Textiles	
17	Sensat	Paper, Print	
18	Midtron	Industrial	
19	Struthers	Electrical	
20	Provider	Banks, Disc	
21	Hoyed Wm	Building, Rds	
22	PKI	Electrical	
23	LWT CP	Leisure	
24	MIM	Mining	
25	Thornes	Rods	
26	Read Int	Newspaper, Pub	
27	Whitman	Industrial	
28	Bilton	Property	
29	Wood (SW)	Paper, Print	
30	Christies Int	Industrial	
31	Ocean Wilson	Transport	
32	McKeehan	Industrial	
33	Dairy Farm Int	Dairying, Sea	
34	Modena	Industrial	
35	Honda Motor	Motors, Air	
36	Hardy Hanco	Breweries	
37	Sanderson J	Rods	
38	Burnham Cast	Oil, Gas	
39	Vaux Group	Breweries	
40	Norberts	Electrical	

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\$1,000 MATCH THE SHARES

If you have ticked off your eighth share in our Match The Shares game today, claim your prize by telephoning 0254 53272 between 10.00am and 3.30pm (see the Sunday Times for full details).

Three winners equally share the Portfolio Plus prize of \$4,000. They are Mr J Carr, Linton, Cambs; Mr M Slater, Wimborne, Dorset; and Mr J Scott, Sleaford, Lincs.

No	1992 Low Company	Price	No. dr	No. Yld	P/E
1	Alley (A)	1.12	45	11.6	11.6
2	Amber (B)	1.12	45	11.6	11.6
3	Am. News (A)	1.12	45	11.6	11.6
4	Am. News (B)	1.12	45	11.6	11.6
5	Am. News (C)	1.12	45	11.6	11.6
6	Am. News (D)	1.12	45	11.6	11.6
7	Am. News (E)	1.12	45	11.6	11.6
8	Am. News (F)	1.12	45	11.6	11.6
9	Am. News (G)	1.12	45	11.6	11.6
10	Am. News (H)	1.12	45	11.6	11.6
11	Am. News (I)	1.12	45	11.6	11.6
12	Am. News (J)	1.12	45	11.6	11.6
13	Am. News (K)	1.12	45	11.6	11.6
14	Am. News (L)	1.12	45	11.6	11.6
15	Am. News (M)	1.12	45	11.6	11.6
16	Am. News (N)	1.12	45	11.6	11.6
17	Am. News (O)	1.12	45	11.6	11.6
18	Am. News (P)	1.12	45	11.6	11.6
19	Am. News (Q)	1.12	45	11.6	11.6
20	Am. News (R)	1.12	45	11.6	11.6
21	Am. News (S)	1.12	45	11.6	11.6
22	Am. News (T)	1.12	45	11.6	11.6
23	Am. News (U)	1.12	45	11.6	11.6
24	Am. News (V)	1.12	45	11.6	11.6
25	Am. News (W)	1.12	45	11.6	11.6
26	Am. News (X)	1.12	45	11.6	11.6
27	Am. News (Y)	1.12	45	11.6	11.6
28	Am. News (Z)	1.12	45	11.6	11.6
29	Am. News (AA)	1.12	45	11.6	11.6
30	Am. News (BB)	1.12	45	11.6	11.6
31	Am. News (CC)	1.12	45	11.6	11.6
32	Am. News (DD)	1.12	45	11.6	11.6
33	Am. News (EE)	1.12	45	11.6	11.6
34	Am. News (FF)	1.12	45	11.6	11.6
35	Am. News (GG)	1.12	45	11.6	11.6
36	Am. News (HH)	1.12	45	11.6	11.6
37	Am. News (II)	1.12	45	11.6	11.6
38	Am. News (JJ)	1.12	45	11.6	11.6
39	Am. News (KK)	1.12	45	11.6	11.6
40	Am. News (LL)	1.12	45	11.6	11.6

BREWERS

No	1992 Low Company	Price	No. dr	No. Yld	P/E
1	Adams-Brown	1.12	45	11.6	11.6
2	Alesbury	1.12	45	11.6	11.6
3	Am. Brew (A)	1.12	45	11.6	11.6
4	Am. Brew (B)	1.12	45	11.6	11.6
5	Am. Brew (C)	1.12	45	11.6	11.6
6	Am. Brew (D)	1.12	45	11.6	11.6
7	Am. Brew (E)	1.12	45	11.6	11.6
8	Am. Brew (F)	1.12	45	11.6	11.6
9	Am. Brew (G)	1.12	45	11.6	11.6
10	Am. Brew (H)	1.12	45	11.6	11.6
11	Am. Brew (I)	1.12	45	11.6	11.6
12	Am. Brew (J)	1.12	45	11.6	11.6
13	Am. Brew (K)	1.12	45	11.6	11.6
14	Am. Brew (L)	1.12	45	11.6	11.6
15	Am. Brew (M)	1.12	45	11.6	11.6
16	Am. Brew (N)	1.12	45	11.6	11.6
17	Am. Brew (O)	1.12	45	11.6	11.6
18	Am. Brew (P)	1.12	45	11.6	11.6
19	Am. Brew (Q)	1.12	45	11.6	11.6
20	Am. Brew (R)	1.12	45	11.6	11.6
21	Am. Brew (S)	1.12	45	11.6	11.6
22	Am. Brew (T)	1.12	45	11.6	11.6
23	Am. Brew (U)	1.12	45	11.6	11.6
24	Am. Brew (V)	1.12	45	11.6	11.6
25	Am. Brew (W)	1.12	45	11.6	11.6
26	Am. Brew (X)	1.12	45	11.6	11.6
27	Am. Brew (Y)	1.12	45	11.6	11.6
28	Am. Brew (Z)	1.12	45	11.6	11.6
29	Am. Brew (AA)	1.12	45	11.6	11.6
30	Am. Brew (BB)	1.12	45	11.6	11.6
31	Am. Brew (CC)	1.12	45	11.6	11.6
32	Am. Brew (DD)	1.12	45	11.6	11.6
33	Am. Brew (EE)	1.12	45	11.6	11.6
34	Am. Brew (FF)	1.12	45	11.6	11.6
35	Am. Brew (GG)	1.12	45	11.6	11.6
36	Am. Brew (HH)	1.12	45	11.6	11.6
37	Am. Brew (II)	1.12	45	11.6	11.6
38	Am. Brew (JJ)	1.12	45	11.6	11.6
39	Am. Brew (KK)	1.12	45	11.6	11.6
40	Am. Brew (LL)	1.12	45	11.6	11.6

BUILDING, ROADS

No	1992 Low Company	Price	No. dr	No. Yld	P/E
1	Abingdon	1.12	45	11.6	11.6
2	Abert	1.12	45	11.6	11.6
3	Abingdon Hld	1.12	45	11.6	11.6
4	Abingdon Hld	1.12	45	11.6	11.6
5	Abingdon Hld	1.12	45	11.6	11.6
6	Abingdon Hld	1.12	45	11.6	11.6
7	Abingdon Hld	1.12	45	11.6	11

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Thanks to Cellnet, the mobile phone is no longer just for business. It's for everyone, for everyday use.

Cellnet has significantly reduced the cost of owning and using a mobile phone.

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Monthly Subscription	TIME BAND	
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These are Cellnet recommended prices.

which makes it possible for everyone to have a phone as near as their pocket or handbag.

Lifetime call charges have been designed with family and personal use in mind.

The table here shows you Cellnet's recommended prices. They really do put the mobile phone within everyone's reach.

I'm hooked. How do I go about it?

Owning a mobile phone is more affordable than you think, more useful than you can imagine. Call Cellnet direct on 0800 21 4000 and we'll be happy to tell you more.

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Debt is bad

Peter Phillips
system
on line
million

MOBILE COMMUNICATIONS

Peter Purton reports on a single Europe-wide network that is now nearing completion

Systems go on line for millions

As one mobile telephone network usable throughout Europe is at last coming into commercial service after several delays and false starts. Even now the speed of take-up can be described only as cautious. Belgium, France, Italy, Germany, most of Scandinavia and the UK have all got their parts of the global system for mobile communications (GSM) networks in operation. As well as international usage, the new technology offers clearer lines, better support of features such as data communications, and an integrated text messaging service.

This specification has been bought at the expense of a development time that was much longer than expected. Estimates suggest GSM is running more than a year late.

"The technology has proved more complex and more expensive to develop than expected," admits Klaus Hummel, the mobile communications director at Deutsche Bundespost Telekom, which, with 15,000 subscribers, claims Europe's biggest GSM network.

Of the other networks, the UK's is probably the closest to meeting its deployment schedule. Already more than a third of the population is covered by Vodafone's GSM network, and by next spring coverage should be available to more than nine-tenths.

"I do not think GSM has been significantly delayed," says Chris Gent, the managing director of Vodafone, the UK cellular network operator. "GSM is the most complex system ever specified. Originally it was expected to start in earnest in the second half of 1991. It has turned out to be in the second half of 1992. That's a remarkable achievement."

Cellnet, Vodafone's UK rival, hopes to introduce its GSM service next year.

In the summer, Cellnet announced its Liberty initiative, which, for the first time in UK cellular telephony, offered users a choice of tariffs: Lifetime for people who do not use their phones a great deal and would prefer to pay lower standing charges but more for calls; and Primestime, on standard rates, which Cellnet believes will appeal more to business users.

A few weeks later, Vodafone responded with its Low Call rates. The response has been mixed.

David Savage, the chairman of Astra, a cellular service provider, of Cheltenham, Gloucestershire, says:

"I've lost count of the number of people who have said, 'I would like one of these things, but £25 a month is too steep.'"

Mr Savage believes that initiatives such as Liberty and Low Call will appeal to consumer business.

Cellnet expects Liberty to attract up to 300,000 more customers in the first year and two million customers in a few years' time. Vodafone expects a more modest 25 per cent extra market.

Derek Evans, the general manager of Call Connections, a provider set up by Cellnet to support high-street retailers of mobile telephones, says the key to unlocking potential consumer customers lies in making cellular cheaper and simplifying the sale.

Until now, buyers of mobile telephones had to wait up to two days after buying their handset before they could be used. In those two days, the service provider would have to take the telephone, program it with its number, register it with a network operator and return it to its owner. Mr Evans says: "We have found a way to do it all in less than ten minutes."

Call Connections has employed Club 24, an in-store credit company, to check customer credit ratings and set up a network connection to Cellnet over the telephone. Call Connections supplies its retailers with mobile telephones pre-programmed with numbers.

The company has already persuaded Comet, the House of Fraser and nine of the 12 regional electricity companies that this is the right way forward. "The channels we have chosen will open up the



Hush, it's a secret! Cellnet has introduced an encrypting device that should prevent monitoring

domestic market," Mr Evans says.

The announcements of new tariffs for GSM and analogue cellular mean the network operators alone are offering seven different tariffs. The service providers are also permitted to modify these tariffs before passing them on to the user.

Some, however, call for a more measured response to the tariffing and retailing innovations. Barry Morley, the managing director of Hutchison Cellular Services, a service provider, says: "We are still talking about £1.5 a month and up to 54p a minute. That's still not of the same magnitude as a true consumer market."

Mei Zizeros, a principal at MZA, a Wiltshire marketing consultancy, is also concerned about the new tariffs. "The new tariffs make it more expensive for business hours calls," he says. "How many people want to restrict calling to the evening?"

Mr Zizeros believes that if the industry is serious about increasing its UK users, it must look at reducing tariffs overall rather than "play about with off-peak tariffs". He says: "Handset prices are already low. It does not make any sense to make calls more expensive. If you want to expand the market, tariffs should come down."

Calling women, the new users

NEW television advertising campaigns from Cellnet and Vodafone, which started this month, show ordinary people using mobile telephones with the aim of attracting customers who think it too expensive or a luxury product.

The two networks are targeting women for the first time, and making strenuous efforts to get away from the somewhat macho image that mobile telephones have acquired.

No more than 20 per cent of mobile telephone subscribers are women, and the networks now realise that to expand their subscriber base they have to consider women seriously.

Cellnet's promotion concentrates on women in a number of real-life situations. Vodafone's October revolution campaign is led by an attractive but serious young woman marching out with her telephone.

Previous advertising campaigns showed men fishing or driving vans. Women can identify with the characters in the new advertisements

and begin to think of buying the product. However, are they really being offered such a bargain? According to some user groups, the prices are not yet low enough for the average consumer to afford. And many, who are unfamiliar with mobile telephones, might end up with higher bills than they should because of the way the call charges have been set.

The catch is that Low Call and Lifetime customers have to pay extra high call charges if they use their new mobile telephone during the working day. Cellnet charges 50p, and Vodafone 54p in London and 46p outside.

Mr Skarratt is worried that many people buying Low Call or Lifetime will not know how often they will need their mobile telephone. They may have to make calls at peak times and end up with higher bills for calls than if they had subscribed to the ordinary mobile telephone service.

"There are a lot of small business people who could get stung," Mr Skarratt says.

Call charges are another issue. Vodafone's Low Call service has dropped the call charge for people telephoning after 8pm and at weekends. Instead of 33p a minute in London and 25p elsewhere, they now pay 15p.

Special weekend day rates of 27p and 23p respectively have also been introduced. Cellnet's Lifetime package offers 20p a call anywhere after 7pm and at weekends.

The catch is that Low Call and Lifetime customers have to pay extra high call charges if they use their new mobile telephone during the working day. Cellnet charges 50p, and Vodafone 54p in London and 46p outside.

Mr Skarratt is worried that many people buying Low Call or Lifetime will not know how often they will need their mobile telephone. They may have to make calls at peak times and end up with higher bills for calls than if they had subscribed to the ordinary mobile telephone service.

"There are a lot of small business people who could get stung," Mr Skarratt says.

However, a typical consumer

"Many small business people could get stung"

SARA MACMILLAN

Enter the super card

A small bit of plastic will change dialling habits

One of the most powerful features of the new generation of digital mobile phones will spend most of its time with the telephone user's credit cards. It is a smart card, which slips into a slot in the phone when it is in use to validate it and ensure that the bill gets sent to the right place, Chris Partridge writes.

The microchip in the smart card will contain the owner's account details and personal number, so inserting it into any phone and tapping in an identity code, will personalise the phone to that particular user for as long as the card remains in place.

The card will make mobile handsets very secure, since a handset without a card will be useless. Handsets reported stolen will not be able to log onto the system, so

inserting a valid card will not help. On the positive side, business travellers will be able to hire a portable phone at the airport, slip in their smart card, and be able to make calls that are charged to their home number. Hire cars will be fitted with digital phones, for use by subscribers to the new GSM system.

At home, each family member could have a card, sharing a couple of handsets. Children would have cards enabling them to keep in touch while out with friends but barring international calls or bills exceeding a preset amount.

The smart cards are likely to be warmly welcomed by an entirely different group. Thousands of people hold phonecards, and the new smart cards will be just as collectable.

Why listening in will soon be out

Listening to other people's private conversations is hardly a new phenomenon. Plays and films over the years have depended for their dramatic impact on characters hearing something not intended for their ears. However, the recent intensive media coverage of the so-called Dianagate affair has sharply heightened public awareness of this increasingly common problem.

Until recently, conversations on cellular phones were widely considered different. The reality, sadly, is the reverse.

As telephone companies modernise their networks and replace copper cables with untappable glass fibre, normal telephone conversations are becoming increasingly secure. Listening to conversations on today's cellular radio networks presents the well-equipped eavesdropper with few problems.

More than 10 million Americans regularly listen in to cellular and cordless telephone conversations, spending more than \$50 million a year on pursuing their hobby. Listening to radio transmissions from the emergency services and air traffic control has always attracted eavesdroppers. But until recently, most commercially available radios did not cover the relevant frequency bands. Now wideband scanning receivers are readily available for only a few hundred pounds and sales are booming.

Vodafone failed to get a licence for a PCN, largely because it already had a GSM licence. Mr Gent's intention is to use GSM as the basis for an added service that will look like PCN, and to tap into the markets everyone predicts.



Reassuring: Mike Tipaldy

user is that the networks use analogue technology which, because it does not have any type of scrambling or decoding, is easy to pick up with the right receiver.

There is some reassurance for Britain's 1.3 million cellular radio users. Mike Tipaldy, Cellnet's director of engineering, points out that "with over two million mobile calls being made every day, the chances of being overheard are very small".

Ted Beddoes, the technical director of Vodafone, goes further. "Although it is technically fairly easy to listen to a conversation at random, it is not possible to listen to specific calls. With more than 32,000 transceivers in the system, it is impossible to identify which one is using which channel."

For those who feel they must

have complete security, today's networks will offer it — at a price. Cellnet has been working with GEC Marconi to develop a simple scrambler that can be attached to the mobile phone and Vodafone will set up end-to-end encryption facilities.

Happily, for tomorrow's cellular user, these problems need not exist. GSM, the European digital cellular system, will offer, as a service option, completely secure conversations.

This new communication system is now being introduced on the Continent and will soon be widely available in Britain.

Using advanced digital technology, the GSM service option provides a level of encryption similar to military standards.

It is not only the business



British Airways demands the best for its passengers by constantly improving customer services and co-ordinating ground operations more effectively. Indeed, with passenger volumes set to double by the year 2000, British Airways has recognised the need for a mobile data system to give staff fast, real-time access to information. Naturally, they saw the opportunity to combine their own business acumen and technical skills with those of RAM Mobile Data.

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RAM
Mobile Data

Adrian Morant on how portables have arrived in the handbag

Smaller is more handy

Advances in electronic technology have enabled manufacturers to design even smaller cellphones with longer talk time and standby times. Many hand portables now weigh less than 250 grams and can be operated for longer before batteries have to be changed or recharged.

The result is that hand portables now account for 70 percent of all cellphones being bought. The long-term effect is that hand portables, accounting for 60 per cent of the total installed base, will assume greater importance.

Originally, the technology had been unable to build a widely acceptable portable telephone. The early portables weighed about 6kg and were sometimes known as "hermanphones". Today's technology has created handsets that are smaller and lighter but give improved performance.

For example, NEC's P4 portable is roughly the size of a television remote control unit and weighs about 250 grams with its high-capacity battery. This provides up to 24 hours on standby, but obviously less if calls are made. However, up to two hours' continuous talk time can be obtained.

Even with the alternative

slim battery, which cuts the weight to 220 grams (less than 8oz), 12 hours and 60 minutes respectively are claimed. This is one of the smallest and most convenient available. Car kits are obtainable for most hand portables to provide hands-free operation and on-hook dialling. Dearer car kits incorporate power boosters to make the telephones more suitable for operation in rural areas.

Panasonic describes its H-Series as being the "ultimate in versatility" as it can be mounted in the car as a mobile and be used as a fully self-contained high-power hands-free transportable, or offer the same facilities plugged into the vehicle cigar lighter socket.

Cellphones such as this, weighing between 2kg and 3kg in their transportable form, could be ideal for the rural user.

However, the Sony CM-H333 will be targeted at taking cellular into the home, or more particularly into the handbag as women are seen as the large untapped market. For this budget market it will be supplied with only one battery, instead of the normal two, and will have limited features. For example, it will have a ten-digit display, rather than 16 or more, and only 12



So convenient: the portable joins the craftsman's toolkit

memory slots, compared with the 99 or more that are available in most telephones.

The Motorola range offers, in particular, a good choice of hand portables. The units are updated versions of the company's original robust 8000 series unit and also the "flip-top" MicroTac. The fact

that the original unit, which weighs more than 500 grams, is still in production, and selling well shows that size and weight are not all-important.

This applies particularly where the telephones are subject to heavy handling, as when used by field service technicians.

War is about to break out in the cellular trade again. Adrian Morant writes. Both network operators, Cellnet and Vodafone, have announced new tariffs for an untrapped potential market. Service providers, such as Hutchison, will tailor their packages and dealers will offer the customer special deals.

Events have moved on since the cellular networks were introduced in 1985. Then, there was a pent-up demand, especially in the London area, where the delivery waiting time for a telephone was about three years. As they compete for customers, the network providers each paid out incentives of several hundred pounds for every new customer signed up. Hence the early days were a paradise for the get-rich-quick merchant.

Today, the industry has largely outgrown its cowboy image. This is not because time, says David Steadman, Hutchinson Telecom's managing director, because "the old dodgy dealer" image of the cellular telephone salesman is something that has to be overcome". He agrees with David Savage, the chairman of the Federation of Communications Services' cellular service providers group, who says: "There are still unscrupulous dealers out there waiting to ensnare the unwary. It is vitally important for subscribers to bear in mind that cheaper equipment costs can often be a disguise for various hidden costs."

This is highlighted in a recent report on cellular telephones in *What To Buy For Business* magazine, which says one service provider "even alters the peak time band in order to squeeze more profit from its subscribers".

The mobile communica-

Battles to break out again on the air waves

tions industry is keen that high standards should be maintained and collaborative efforts by the federation and the main cellular companies have led to an important new quality control scheme. All companies in the scheme must meet rigorous technical and trading standards and will have the right to display the FCSQ logo. The scheme was started last month and the initial intake of company members applicants are now going through the assessment procedure. The organisers hope many companies will be included in the scheme within a year, giving purchasers greater protection than they have at present.

The network providers, Cellnet and Vodafone, are not allowed to sell directly to customers. They work through intermediaries known as service providers or air time resellers. The intermediaries sell directly or via dealers, making their profit from discounts on air time. Initial connection charges, monthly

rentals and the signing-on commission from the network providers.

The UK market has more than 1.3 million subscribers at present. Cellnet and Vodafone are therefore aiming to broaden their customer base towards the domestic market.

An underlying reason for this is that they want to carry out a pre-emptive strike against the personal communications networks (PCNs) that are due to enter service next year, though they are not likely to be a threat to cellular until 1994. The low Cell and

Lifetime tariffs, as the Vodafone and Cellnet domestic tariffs are named respectively, offer the customer much lower fixed charges. Initial connection charges are £30, against the £60 standard tariff, in return for higher call charges. Thus, they will appeal to those who want the benefit of a cellphone but will not make heavy use of it.

As there are big differences between the needs of business

and domestic users, Cellnet has introduced Call Connection as a service provider specifically to sell telephones to this consumer market. Cellnet has already signed up more than 400 outlets, including Sony Centres, Comet, House of Fraser and BT shops. Derek Evans, the general manager, says: "Our goal is to be the first choice in service provision for both the retail trade and consumers."

Telephones on the shelf with a telephone number already programmed in and speedy credit checking will enable a customer to be rapidly connected to the service. This will be backed by a customer care package, geared to the needs of the domestic user. This includes a help desk open from 8am to 9pm Monday to Saturday and from 10am to 6pm on Sunday.

Cell Connections will emphasise the low-cost Lifetime tariff and has already signed up to sell the new Sony CM-H333 telephone. Other models, to be announced, will be offered.

The Sony CM-H333 will cost £299 and is claimed to be the first mobile telephone aimed at the general consumer. "The mobile telephone will no longer be the exclusive preserve of the business person," says Tim Woods, Sony's senior manager for personal communications.

"Like the electronic calculator, or personal computer, its use is set to become universal. The Sony telephone will be available to everybody. Its size and shape is about the same as a Mars bar, so convenience combined with ease of use will contribute to its success."

"This is an important rethink because, with the majority of cellphones being sold to men, women form a vast, almost untapped, market."

How telepoint is rising from the dead

IS telepoint coming back? When telepoint services failed two years ago, losing the three operators an estimated total of £10 million, the concept of a mobile telephone that could be used for outgoing calls at specific locations but would be inexpensive, was dead and buried. However, this month the sole operator that did not open for business the first time round started a service called Rabbit. Chris Partridge writes.

Hutchison Whampoa, of Hong Kong, believes the concept is sound, and that the original operators rushed out an immature, badly marketed product.

There was confusion first time round. Two incompatible stan-

dards were used, and both were to be replaced by yet another, requiring a change of handset. Business users especially were not impressed. Rabbit uses the internationally agreed CAI standard.

The original handsets could not be used in the home or office, as base stations were available. They were regarded as expensive at £200 plus subscriptions and call charges at a higher rate than that available on public call boxes. Most users found that wherever there was a telepoint base station, a

call box was also located there, offering a better deal.

From the start, the Rabbit telephone has been offered with a home base station allowing people to use it as a cordless telephone at home or in the office, and to take it out on trips as a "telephone box in your pocket". It is also a better cordless telephone than others in use. The speech quality is good, without the crackles and hums that bedevil conventional cordless units. Retailers report that poor quality is the prime reason why 35

per cent of cordless telephones are returned by buyers.

The digital radio system gives

impregnable security, removing any chance that your neighbour may be making cordless calls at your expense. The cost has been cut substantially, too. Rabbit is offering the combination of handset and base station at £240.

Away from home, telepoint call

charges range from 10p a minute

at night and at weekends, through

20p at peak times to £5.50 for calls

to aircraft on the Skyphone

system. Local and national calls are charged the same.

Many subscribers in the trial areas around Manchester have been buying the unit as a simple cordless telephone, says Ed Candy, Rabbit's technical director. Most go on to subscribe to the telepoint service.

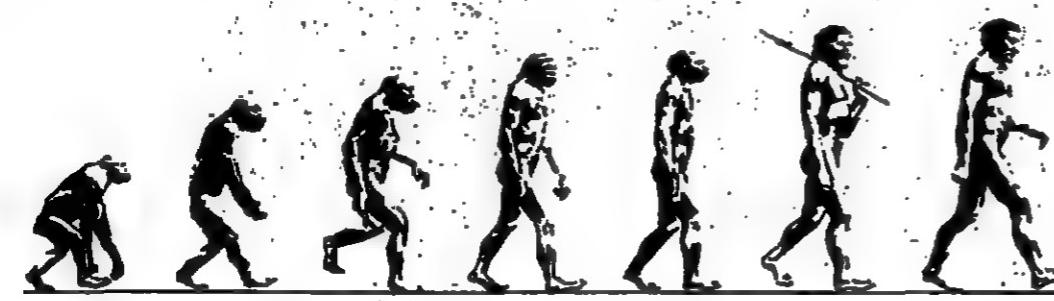
The strategy seems to be paying off so far. The total number of subscribers on all three of the original national networks after nearly a year of operation was about 3,000. Mr Candy says: "We

have been going for a few months just around Manchester, in the summertime in the middle of a recession, and we have 3,000 subscribers already."

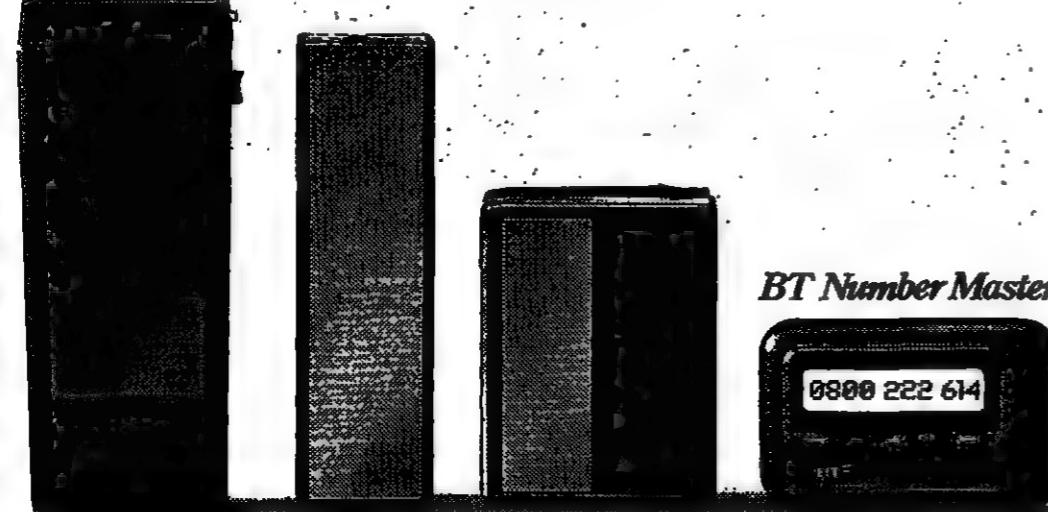
The international climate for

telepoint has also changed.

Telepoint was previously an isolated, rather eccentrically British system. Now, systems compatible with Rabbit are established in Hong Kong, which has three networks and claims 25,000 subscribers. Singapore, where the network is said to have sold 1,500



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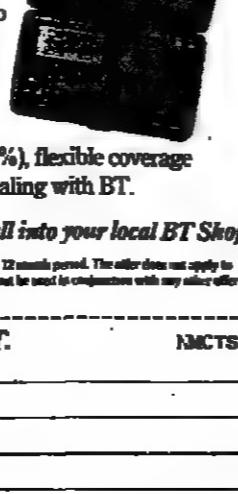
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No.1 in Mobile Communications



Homeward bound for the mobile

different from the original licenses. One is Hutchison Telecom, owned by Hutchison Whampoa of Hong Kong and British Aerospace. The other is Mercury Personal Communications, a joint venture between Cable & Wireless, which owns Mercury, and US West, a former Bell Telephone company.

The two PCNs will enter a highly competitive market, with at least one new digital carphone network, a microcell system, telepoint and advanced message papers all battling with established analogue systems for subscribers.

So the PCN operators are pinning their hopes on the ordinary telephone subscriber, who has so far refused to go mobile.

PCNs use basically the same technology as GSM digital carphones, but at double

the frequency. The higher frequency has

greater bandwidth, so many more subscribers can use the system, and the handsets will be smaller. The PCN

handsets will also be limited in power to one watt, which limits their use to people on foot.

The government issued three licences for PCNs, but only two operators are still in the field and both are radically

to disclose exactly what is being spent on their PCN, but the probable figure is £200 million each. Investment on such a scale naturally puts in question how high the call rates are going to have to be to make a reasonable return.

Colin Sorrill, an independent telecommunications analyst and author of a report on PCNs, sees the tariff structure as critical. "Can the operators devise innovative tariff packages that will recover their investments while gaining a mass market?" he says. The handsets need to be below £100, he believes, and call rates should be near BT prices.

"The difficulty the PCNs face is how long it will take to recover the investment," he adds. "The potential market is very large, but I do not know whether the would-be operators have the courage to cut prices enough to take it."

Both Richard Goswell, Mercury PCN's managing director, and John Dodds, the communications director of Hutchinson Telecom, agree that they must compete with the fixed telephone links if they are to attract the mass market.

CP

Farewell to the fax printout

THE mobile office with phones, fax machines and personal computers, allowing the vehicle's owner to be in contact with the rest of the world via cellular radio, is more than a mere concept. However, the idea is seldom translated into reality.

Despite there being more than three million cellphone subscribers in the UK, probably only about 1,000 are actually using their cellular phones for fax or data transmission. This is because cellular radio systems are up to 2,000 times more hostile to data transmission than a fixed-wire system is. Error-correcting techniques such as cellular data link control have therefore been devised and universally adopted.

Everything that is needed for data or fax can fit in a briefcase. But integrating them to provide a complete working solution for a particular purpose is not always easy so vendors have been working to ensure that their products will operate together.

As an aid to users assembling their own systems, Celnet will soon be publishing a compatibility guide.

There is no universal solution. User requirements vary enormously. They include the needs of the field service



On the road: the in-vehicle office becomes more feasible

mechanic who has to get detailed diagrams from instruction manuals and the executive who needs access to his company's network.

This may be the approach that many notebook computer users will want to pursue. They are familiar with printing their documents, then sending them by fax. Printers such as the Star-Jet SJ-48 now enable the traveller to obtain professional print quality while on the move. This unit weighs less than 2kg, yet still provides laser-quality print.

Alternatively, those who are more computer-literate will be able to attach modems to their notebook computers so as to send their data over cellular either via a public electronic mail service or directly to its

destination. For example, all models in the Psion Dacom PDM series include a special cellular mode to optimise data throughput and integrity.

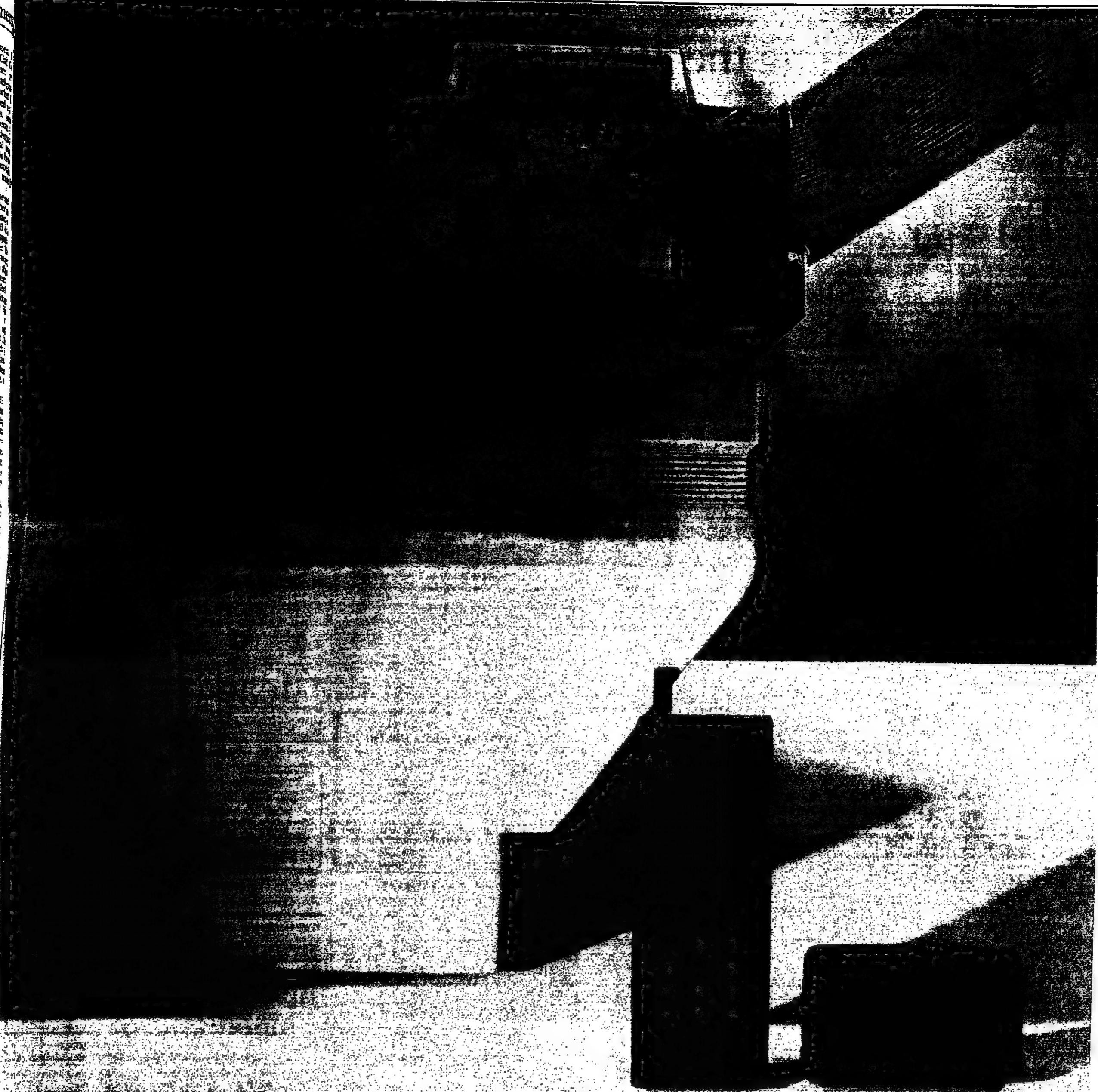
Some of the series also incorporate a fax facility that enables the user to prepare a document on the PC screen and send it directly by fax without the necessity of printing it. Since these modems weigh less than 200g, they add little to the weight that a user is carrying.

Motorola, NEC and other big manufacturers each produce special interfacing units for their own cellular telephones because there is no standardisation at present. In general, these units are designed to operate with fixed car phones, hand portables (when fitted with boosted car kits) or portables as well as, in certain cases, hand portables.

The situation is, however, due to change radically. The global system for mobile communications provides both digital transmission and standardised, rather than proprietary, interfaces.

Thus, as GSM spreads throughout Europe, we can expect far greater data usage to follow in its wake.

AJM



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LES Ibaraki, Japan.

NEC



THEATRE page 38

With Jane Asher gracing its stage, the Criterion has reopened, more splendid than ever

ARTS

ART: Richard Cork assesses the new gallery at the Victoria and Albert Museum

Designers on century duty

Having lost its up-to-the-minute Design showpiece when Stephen Bayley packed up his Conran-sponsored Boilerhouse, the Victoria and Albert Museum has now opened a far grander replacement. The new Twentieth Century Gallery lives up to its resounding title by occupying more space and covering wider territory than Bayley's subterranean chamber. State-of-the-art items are among the 600 objects on display — most of all at the end where a special section breathlessly called the Now Room — celebrates the irritating Cubist dog devised as the Barcelona Olympics mascot. But the last nine decades of consumer design are surveyed here as well, embracing so many vigorously fought style wars that the glass showcases ought, by rights, to shatter under their impact.

Take the first bay, where Voysey's austere oak table of 1903 announces an unwavering commitment to honest craftsmanship. Unstained and devoid of polish, this stark structure testifies to his insistence that "no nails or screws" should desecrate the table's absolute purity.

Voysey stands for the spirit of modernity at its most Protestant. And his preference for rigour was shared by many of Europe's most innovative designers as the new century advanced.

Jessie Newbery's linen appliquéd cushion cover may look languorous, as its attenuated leaves curve upwards in graceful Art Nouveau undulations, but the pared-down discipline of the Glasgow School of Art informs her design, and the Latin words embroidered in the centre spell out sentiments as stern as Voysey's: "Softly the irrecoverable hour flows away, reflect lest you squander a day without labour."

Whether such moralising was shared by Newbery's continental counterparts is open to doubt. The streamlined motif of stalks and petals curving round Maurice Dufrene's porcelain coffee-pot looks far too ebullient to be weighed down by homilies about hard work.

If one struggle is fought out at the Twentieth Century Gallery between ornament and bareness, another battle pitches professionalism against the cult of the amateur. When Roger Fry founded the Omega Workshop in 1913, he made a virtue out of his lack of technical expertise. The Omega fabrics on view here gain much of their vitality from their designers' impatience with conventional craftsmanship.

But their more practical products sometimes suffered from a slapdash approach. Wyndham Lewis, who worked at the Omega before denouncing it with a storm of invective, recalled that "the chairs we sold stuck to the seats of people's trousers".

For an artist as involved in the



State of the art? Sisterhood: a tapestry designed and woven by Noemí Ferenczy, Hungary, 1921

machine age as Lewis, Fry's defiant emphasis on the hand-made was unacceptable. The second issue of the Vorticists' magazine *Blast* is displayed nearby, to show how fiercely Lewis went on to engage with the world of aggressive industrialisation.

His stark monochrome cover design, showing soldiers embroiled in the first world war, chimes with Wadsworth's woodcut of *Minesweepers in Port*. The dazzle-camouflage patterning applied to ships, in the hope that they would bewilder U-boat commanders, has the same sense of hard-edged pictorial attack as the Vorticists' paintings.

Playfulness keeps breaking

through, even in revolutionary societies where a sense of humour might be regarded as decadent. Lissitsky's *Proun* print of 1923 proposes an uncompromising abstract vision, austere and stripped of all decorative blandishment. The word "Proun" is an acronym of "Pro-U-novis", translatable as "design for confirmation of the new". But much of this heroic Soviet sobriety evaporates in Lissitsky's book for children, and the V&A further lightens the mood by juxtaposing it with "Tinkerton the Wonder Builder", a robot toy sold in a Wimpole Street shop, designed by Erno Goldfinger, in 1936.

By that time, Surrealism had ensured that high seriousness was

everywhere threatened by subversive tactics. Although Dalí's outrageous sofa called *Mae West's Lips* is placed discreetly at the back of a showcase, its bulbous "shocking pink" satin still has the ability to disconcert. It would never have been commissioned for mass consumption, and at this stage in the show the preponderance of exclusive designs threatens to become stifling.

For a moment, a refreshing note is sounded with the inclusion of the original Penguin paperback *Britain by Mass Observation*.

Most of the cover is given over to a bold printed quotation from *The Times*, decrying that "with these anthropological spies among us one

wonders how statesmen and journalists will ever again dare to speak and write on behalf of the people". For here are the "people". They disappear, however, just as swiftly. Nearby stands a black, gleaming cocktail cabinet in ebony, metal and chrome, the acme of millionaire's chic when designed by Maurice Adams in 1933. Ideal for a Noel Coward stage-set, it belongs to the same leisured realm as Syrie Maugham's sleek mirrored screen and Denham MacLaren's glass-sided armchair of 1931. The seat has been shamelessly swathed in zebra skin, and tufts of the animal's mane project from the back: a grisly guarantee of authenticity.

In terms of ecological shock, MacLaren's armchair shares the honours with a 1964 Roberts radio covered in leopard-skin. But at least this nasty little instrument is accompanied by a caption carrying the manufacturer's retrospective disclaimer, stressing that Roberts would never perpetrate such an outrage today. And the offensive object can be found in the highlight of the new gallery — a hugely diverting display celebrating the development of radio design.

At one extreme, the classic wireless look of the 1930s veered towards beguiling simplicity. The Fada radio in bakelite is a tour de force of geometrical compression, glowing with jade-like yellow and green surfaces. Well Coates reached the acme of purged understatement just after the war, reducing his Eko A22 to the quintessence of chaste, circular refinement.

The result was marketed in the *Britain Can Make It* exhibition of 1946, but nationalistic design in America produced a far more exuberant, not to say garish outcome. When Norman Bel Geddes was invited by Emerson to mark its 25th anniversary, he came up with an all-American "Patriot Model" based on the red, white and blue of the Stars and Stripes. Anticipating Pop Art by well over a decade, this feisty design also looks like a harbinger of post-war boisterousness as a whole.

In terms of radios, the climax arrives in 1980 when Danny Weill replaced the hard casting with pvc in his witty *Radio in a Bag*. Sold mainly in Japan, the parts all appear to float underwater and resemble a freewheeling abstract relief. But Weill's high spirits are echoed throughout the post-war gallery, whether in Hosoe's wriggling plastic and metal lamp of 1970 or Sonnass's flamboyant "Casablanca" sideboard, where the crazy projecting shelves are spattered with delirious patterning. Form no longer makes even a token attempt to follow function in this era of rampant eclecticism.

• The Twentieth Century Gallery at the Victoria and Albert Museum, Cromwell Rd, London SW7 071-938 8500; Mon-Sat 10am-5.15pm. Sun 2pm-5.15pm

OPERA page 39

Georges Bizet wrote Carmen, but perhaps the producers know more about Spain



Defy gravity, win new friends

Chinese State Circus
Clapham Common

As she danced far above us, back-flipped, rode a unicycle and leapt between high wires at different levels, the tight-rope artist's safety wire was reassuringly visible. The Chinese Circus depends less on the scent of danger than its Western counterpart: more on skill for its own sake. Hence the air of pride and relief when a trick that had misfired was repeated with success — as when the young man somersaulted in mid-air to spin through the narrow hoop above him and the audience joined his triumphant yell the second time round.

Hence also the brave smile on the verge of tears as the young woman balancing her unicycle on a large ball tried to perfect her own trick until the fifth successful attempt. The fact that such effort, craft and love was devoted to kicking four dishes from her shin on to her head in a neatly stacked pile makes the gallantry all the more touching. In both cases, the artist would plainly have stayed all night to get it right if necessary, through pride as much as imposed discipline.

There are no animals, apart from the lions, engagingly recognisable cousins of our pantomime horse, with their flirtatious eye-lashes and sinuous silk bodies, or the fluorescent dragons, a glowing serpentine swirl of blue, green and pink.

MARTIN HOYLE
MARILYN KINGWILL



Effort, craft and love: a unicyclist smilingly epitomises the Chinese State Circus performers' determination to get it right

ARCHITECTURE: a London exhibition celebrates the vision of the versatile Spaniard Santiago Calatrava

To the limit and over

Marcus Binney on an innovator whose work at Expo '92 and this year's Olympic Games has won wide acclaim

basic designs may not always fulfil the engineer's test of making the most economical possible use of material. But, says Calatrava, "the doctrine that the cheapest and most rational solution should be best does not always hold. Today you have to consider the impact on the landscape and the environment. We can't build more awful highways destroying the centre of cities, and the countryside too."

Interestingly, for a high-tech conjurer, Calatrava does not drive. And so his bridges consider pedestrian routes as much as vehicle ones.

Anthony Tischbirek, who works in Calatrava's Zurich office, points to the model of the Medoc bridge in Bordeaux. "Calatrava has raised the pavement several feet above the road, so pedestrians are not splashed or suffocated by cars. But it's good for motorists, too, as they have a clear view of the water below."

Elsewhere, for example on his bridge in Seville, pedestrians use a raised central walkway, eliminating the classic impulse to plunge into the waters below.

Calatrava's concern with balance and equilibrium is evident in his sculpture. Passing his mechanical moving eye on the staircase, you are

confronted with a metre-wide Brancusi-like bronze eye perfectly balanced on a shallow hump of polished black granite. It rocks gently at the faintest draft. Calatrava points out how this and other sculptures are tied or tensioned with wires. One is a spiral of cubes brilliantly expressing a torso in motion, another a twisted sheet of bronze on a giant stainless steel cocktail stick, cleverly placed in

front of a window so that the reflections of the venetian blinds look like feathers.

Calatrava says he is "not trying to build the highest building or the longest span. The big steps were taken earlier this century. Think of the Golden Gate bridge or the Chrysler building. I am trying to reinvent."

He does sense the next breakthrough will come in the develop-

ment of an architecture with big movable parts. For the Kuwaiti pavilion at the Seville Expo he designed a digitally operated pivot roof with ribs that opened up like elephant's tusks. For the lake at Lucerne he designed a circular pavilion like a giant daisy where individual sections of the roof rose like petals. His planetarium at Valencia's proposed museum of sciences is set in a giant 3-D eye with eyelashes that open like giant palm fronds to let in daylight.

"I mostly work with basic materials: steel, concrete, paving, glass," says Calatrava. The exciting sinewy shapes of columns and girders are often produced not by special castings but by flame cutting standard sheets into unusual shapes and welding them. Nonetheless he can give a jeweller's attention to beautiful polished detail. The smallest artefact he has designed is a pair of gold earrings for his wife.

He likes concrete because "it is very economic, can generate mass and has a certain nobility. It can have the character of stone, can take a shape and achieve very plastic form."

So far Calatrava has built nothing in Britain. The RIBA has put out a petition supporting his superb design for a bow-shaped bridge striding the Thames east of London in one giant leap. "It is a fantastic opportunity for an engineer, so broad a river, so flat a landscape," says Calatrava.

His project was criticised by the Department of Transport on grounds of cost. Calatrava replies: "At Seville prominent specialists said our bridge could never be completed on time or on budget. But it was."

• Calatrava at RIBA, 66 Portland Place (0171-580 5535). Mon-Fri 9.30-7pm, Sat 9.30-4pm, until November 14.

Not putting their trust in Princes this season

ARTS BRIEFING

rhythm of the images." Or as we say in Britain sounds a bit tasty.

Impervious, too

ARTISTIC innovation never ends. After Richard Serra's controversial blocks of steel at the Tate comes a new group of paintings showing artist Donald Smith's exclusive use of the metallic enamel paint Hammerite, on show from today at the Harlequin Shop in south-east London. "The intended strength of the medium is perverted by the imposed delicacy of the execution," explains gallery owner, Godfrey Worsdale. Hammerite is usually used to protect objects from rust. Smith's works apparently hang well, and will never need restoring.

Last chance... EVEN at full volume, Jimmy Giuffre's clarinet and saxophone seldom rise above a purr. Once a member of the barnstorming Woody Herman Orchestra, Giuffre later threw in his lot with the avant-garde. His revived partnership with the pianist Paul Bley and the bass-player Steve Swallow suffers from an excess of introspection at times, but is still capable of producing absorbing chamber jazz. Alongside pianist Don Pullen, the trio ends its Arts Council tour at St Donat's Arts Centre (0446 794848) tonight, and Adrien Boult Hall, Birmingham (021-236 3889) tomorrow.

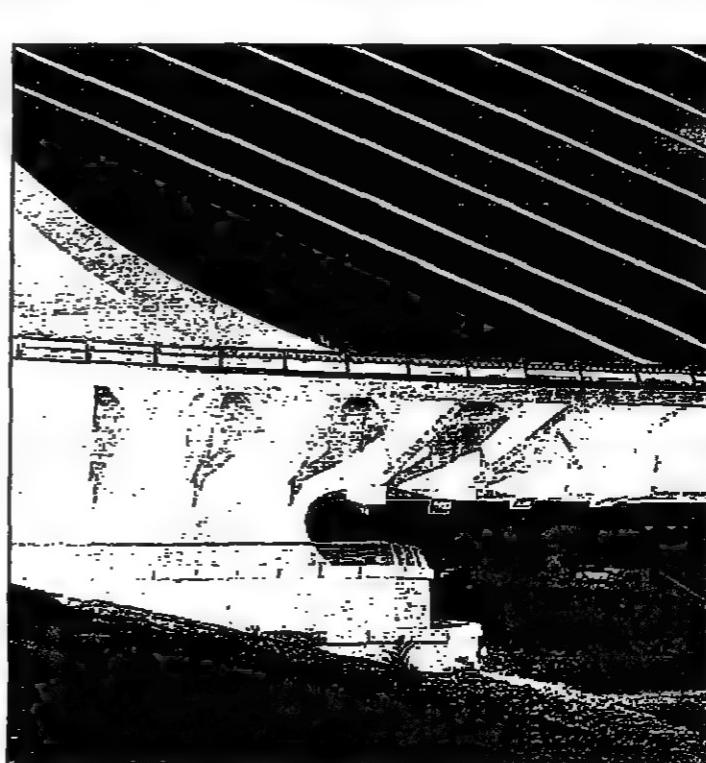
CONFIRMATION, if it were needed, that the French take their cooking seriously: on Sunday the French television channel ARTE is devoting the whole evening to food. It includes an interview with a sociologist, entitled "We are what we eat", a short film by Pasolini, *La Ricotta*, and a documentary about Alain Ducasse, the chef of the Hotel de Paris in Monaco. As *Le Monde*'s television previewer notes: "Slowly the ears close, and only the mouth palpitates to the

London has never had a more mesmerising architectural exhibition than Santiago Calatrava's at the Royal Institute of British Architects. This is a show to uplift the spirits as much as a cable-car ride to the top of the Alps. Nor is it just the snow-white presentation, all-white models, on white plinths, on a new white floor.

Calatrava's work is almost Leonardo-like in its sense of probing, testing, exploring. He is an all-round talent, a remarkable degree. He trained as both architect and engineer, did a doctorate on the foldability of structures, and produces sculpture, too. Yet paradoxically his drawings are mostly very near those of an illustrator. The magic of Calatrava is that in his models, and increasingly, his completed structures, he is building adventurous designs that two decades ago would have seemed pure science fiction, as impossible of realisation as projects by the Russian constructivists or Sant'Elia. Nothing so organic or sinewy has been seen since Gaudi. Here is the muscular expressionism of Mendelsohn in the 1930s on an Olympian scale.

Calatrava accepts the label, at least of his powerfully sculptural bridges in his own country. "They are a positive expression of my own happiness that Spain is once again open to democracy and to freedom of expression." Not everyone approves. One British engineer, who preferred to remain anonymous, said: "Calatrava is perverse. He's obsessed with this image of a dog's skeleton, which keeps repeating itself. Look at this bridge with a coat hanger truss leaning at 60 degrees. Arches, naturally, should be in the vertical plane."

Calatrava's daring adoption of difficult solutions and overtly sym-



A bridge at Seville's Expo '92, designed by the non-driver Calatrava, who has given pedestrians a raised central walkway

LONDON

DANCE UMBRELLA: This weekend there is the last chance to catch the American dance pioneer Merce Cunningham and his company. Open Elizabeth Hall, South Bank, SE1 071-503 0001, tomorrow, Sun, 7.30pm.

OPERA: Another welcome outing for one of the Royal Opera House's best: English Mendelssohn's sunburst and reliable production. Sir Georg Solti, the pit. Kit Te Kanawa as Desdemona, Svetlana Rakhmanina as Iago, and Plácido Domingo repeating his definitive account of the title role. Final curtain at the Royal Opera House, Covent Garden, WC2 071-240 1039/1911, tonight, 7.30pm.

ENGLISH TOURING OPERA: This is Open 80's first tour since changing name. Opening tonight is the company's production of Verdi's *Don Carlo*, directed by Tim Hopkins. Jonathan Veira plays Radames; Margaret Price and Kathryn Hide play the resolute women; and Stephen Johnson leads the soldiers. Starts 7.30pm, Royal Opera House, Covent Garden, WC2 071-240 1039/1911, tonight, 7.30pm.

WENDY: Another welcome outing for one of the Royal Opera House's best: English Mendelssohn's sunburst and reliable production. Sir Georg Solti, the pit. Kit Te Kanawa as Desdemona, Svetlana Rakhmanina as Iago, and Plácido Domingo repeating his definitive account of the title role. Final curtain at the Royal Opera House, Covent Garden, WC2 071-240 1039/1911, tonight, 7.30pm.

REGIONAL: Cork's Galway Jazz Festival gets underway at the Opera House tomorrow afternoon with a concert by the Cork Jazz Ensemble, led by John Clinton's Festivellers, ably supported by the Eric Delaney Band. At 3.30pm, tomorrow evening there is a performance by Celia Johnson and Stephen Johnson and a quartet (Sport). Sunday brings a visit by the Houston Tenor Hans Harald Land (3.30pm) and leading trumpet player Mervyn Ferguson (7.30pm), both from the festival, on October 28 at various venues.

WEXFORD: The small town on Ireland's south east coast hosts what is arguably the world's most enjoyed and longest-running arts festival. This year's programme of operatic entries completes Massenet's *Verismo* drama of the French revolution, *Il piazzo Meast*; all equivocated (The Count of Brabant); *La Gioconda*, which has a libretto, after Shakespeare, by Lorenzo Da Ponte; and the splendid *Melodrama*. *Der Waffner*, by the German Romantist Franz Schubert. The festival, under the direction of Eman Padmore, reliably turns up an exciting crop of young singers. Theatre Royal, High Street, Wexford, Ireland (015 353 63 2214), until Nov 8.

METALLICA: Visceral heavy metal from the band with the pared down sound and those monster riffs. *www.metallica.com* Wembley, Middlesex (081-803 1254), tomorrow, Sun, 6.30pm.

LONDON SYMPHONY ORCHESTRA: Elgar's stirring cantata *Careless, a portrait at once patriotic and pastoral of the legendary British chieftain*, is almost open in its

WEEKEND EVENTS

A daily guide to arts and entertainment compiled by Kari Knight

LEICESTER: Paul Kavanagh directs Russell Dixon as Wicks, the dandy with martyrdom in Terry Eagleton's *Saint Oscar*.

HAYMARKET STUDIO: The festive running until mid-November brings the classic Welsh *Symphony*. Opened by the Austrian conductor Hans Graf, Soprano Lynne Dawson and baritone David Wilson-Johnson are soloists in Brahms' *A German Requiem*, preceded by Mendelssohn's *Requiem* and concluded with Dong Suk Kang's *Bangsang Hall*. Singleton Studio (0722 475715), tomorrow, 7.30pm.

WATKINS: After the Leeds concert on Saturday, the European Community Chamber Orchestra continues its tour.

The programme comprises works by Mozart (Symphony No 32; *Two Minutes and Two County Dances*) and Haydn (Symphony No 68; *Coello Concerto No 1* and *Concerto for Double Bass*).

WATKINS Arts Centre, University of Warwick (020 824224), Sun, 8pm.

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THEATRE GUIDE

Jenny Knight's assessment of theatre showing in London

■ Shows full, return only
■ Seats available
■ Seats at all prices

THE DRAPERS TRILOGY: Six-hour production of the Sophocles tragedy (with an hour meal break after Oedipus Tyrannus). Interesting performances, though John Gielgud and John Bowes-Lyon bring some but curiously unconvincing.

Theatre Royal, Haymarket, SW1 (071-867 0043), Mon-Fri, 8pm, Sat, 8.15pm; Mon-Sat, 8pm, Sat, 8.30pm.

PHILADELPHIA, HERE I COME: Brian Pines's charming comedy of an Irishman who has been coping after age. A man to be cheered.

Wyndham's, Charing Cross Road, WC2 (071-867 0043), today, tomorrow, 4.30pm (ends 10.45pm).

RADIO TIMES: Tony Blairley is in turn the son of Marlene Laro, and a visiting Broadcaster Home, basking with sprightly Noel Gay numbers.

Queen's Theatre, Shoreditch, EC1 (071-867 0043), Mon-Fri, 8pm, Sat, 8.15pm, Sun, 8pm.

THE WISE AND FOOL OF LITTLE VOICE: Terrible performance by Alton Armstrong as the na飗e steward in Jim Cartwright's play about dreams, shyness and horrible mothers.

Albery, Aldwych, WC2 (071-868 0044), Mon-Sat, 8pm, Sat, 8.30pm.

SHAKESPEARE: Penelope Hodge takes over the role of brave widow looking for revenge in Stratford's Misericordia's bitter-sweet drama. Touching moments but deliverance is promised.

Theatre Royal, Charing Cross Road, WC2 (071-867 0043), Mon-Sat, 8pm, Sun, 8.30pm.

ANYONE BUT ME: Musical comedy based on the hit Broadway musical. Ray Cooper forces with lots of laughs.

Playhouse, Northumberland Avenue, WC2 (071-839 4401), Mon-Fri, 8pm, Sat, 8.30pm, Sun, 8pm.

THE MADNESS OF GEORGE III: Nigel Hawthorne is very like the sticken king in Alan Bennett's intriguing, slightly puzzling play.

National (071-867 0043), South Bank, SE1 (071-867 0043), Mon-Fri, 8pm, Sat, 8.30pm, Sun, 8pm.

DEATH AND THE MAIDEN: Abel Dorfman's searing psychological drama on the longing for revenge.

Penny Downie, Dame Webb and Hugh Rose make up the cast.

Dukes of York's, St Martin-in-the-Fields, WC2 (071-867 0043), Mon-Fri, 8pm, Sat, 8.30pm.

IT RUNS IN THE FAMILY: Little in the household seems to run in the family, except the clockwork. Ray Cooper forces with lots of laughs.

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THE HOUSE OF MIRABEAU: Gerald Harper and William Cullen play crime writers who fall out and plot their wicked ways against each other - of course the title character.

Whitechapel, Whitechapel, E1 (071-867 1119), Mon-Fri, 8pm, Sat, 8.30pm, Sun, 8pm.

THE WOMAN IN BLACK: Michael Gambon's superb stage debut.

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OPERA: Flamboyance but no real feeling in Birmingham; and a thoroughly offensive evening in Glasgow

Don't spare the horses, maestro

Richard Morrison
on a spectacular but oddly passionless Birmingham revival of the *Carmen* first seen at Earls Court

How unambitious of Harvey Goldsmith and Mark McCormack to bring Steven Pimlott's celebrated "arena" production of *Carmen* to Birmingham, and then not stage it in the city's own Bullring. Fancy shipping it from Earls Court to Australia and back, and then missing the chance to bring all the traffic in the Midlands to a standstill.

No, wait a minute, chaps, it was only a joke. Your little old *Carmen* is super just the way it is. We loved the nine horses, and the cleaners at the National Indoor Arena won't mind a bit about shovelling up the mess. We gasped at the flamenco dancing and singing in Act IV. Bizet did not write any music for flamenco dancers and singers, of course, but what does a Frenchman know about Spain?

That huge revolving stage was a triumph. It meant that hundreds of extras could walk round and round without actually getting anywhere. Mind you, they have seen that done in Birmingham before: don't forget they staged the Euro-Summit here last week.

Yes, there were a few killjoys who complained at the interval that the noise of the machinery was not an improvement on Bizet's original orchestration. But if you send down one of the lads tomorrow with a can of engine oil, that should do the trick. As for the torch-lit processions, lighting of this flamboyance has not been seen since Liberace played the Palladium.

Your real stroke of genius, however, was scattering all those television screens round the arena, so that if we became bored with the opera we could watch what was on the box instead. It was just bad luck that it was showing a rather weird programme about a person in a bowtie who kept waving his arms about. Funnily enough, he bore a strange resemblance to the man who was conducting your *Carmen*, the estimable Jacques Délacôte.

Then there was the contribution of the "National Opera Orchestra".

Jones at the Old Vic last season quickened every male pulse. Now she has stepped up a league to the real thing.

She certainly quickened my pulse when she began the second verse of the *Habanera* a bar too early — and Maestro Délacôte's as well, no doubt. Fernandez extricated herself, however, with ingenuity, elongating one note of the tune so that the orchestra could catch up. That was the most exciting moment in her performance, for her lower register is too mild and milky to establish any kind of forceful personality.

The Don José, Jacque Trussel, is a survivor of the Earls Court *Carmen*, and age has not withered him much.

As Escamillo, Gregory Yurisich made the most of his spectacular, horse-drawn Toreador's Song, and Cynthia Haymon produced the liveliest singing of the night as Micaela. But if I may say so, Harvey and Mark, you still have not got the sound right. In the interval queues for booze and loos — queues you will be pleased to learn, that had an epic quality which aptly matched your production — people were saying that the sound "lacked something".

What it lacked was not finesse in the mixing or amplification department. That has improved greatly since those early Earls Court days. It was the fact that the principals were clearly not putting much physical force into their singing. Why should they? Each had a microphone next to the throat. But an opera of explosive passion such as *Carmen* will never make its proper impact if the singers are crooning. Turn down the microphones a little, and tell them that they have to sing harder for their supper. That would bring arena opera a step nearer the real thing.

Making the most of his spectacular, horse-drawn Toreador's Song: Gregory Yurisich as Escamillo (one of three singers sharing the role)

DANCE: John Percival selects some highlights from the wide range of work brought together in the Dance Umbrella festival

Kaleidoscope set in motion

The Dance Umbrella festival shelters many kinds, styles and qualities of dance. One of the big attractions this year is the Merce Cunningham Dance Company, at the Queen Elizabeth Hall tonight until Sunday. I caught them earlier this week in Northampton, where by opening up the Derngate stage to its full depth they revealed a large space with stairs, doorways and balconies continuing the lines of those in the auditorium.

This made an ideal arena for the "Events" being given on this trip. Each is a kaleidoscope of dance, made up of fragments from works in Cunningham's repertoire, some so new they have not been seen in Britain, others from the far past. Cunningham varies their arrangement from night to night, so each is unique.

The accompanying sounds produced by four dedicated musicians and several tons of electronic equipment seemed to drive some spectators to despair, but at my performance there were moments (accidental, no doubt) which sounded like real instruments

playing real music. And the amazing richness of Cunningham's dance invention is displayed much better in this context than in most of his recent works. The juxtaposition of pieces, the disposition of bodies, and the varied lighting effects gave the programme a plotless drama, too.

Another visiting company, that of Santiago Sempere, from Spain via France, proved less rewarding at The Place Theatre in London. His subject in *Duel et Amours* is supposedly Don Quixote, but you would hardly guess that until half-way through when one of the cast dresses up. Mercifully, the second part, although still incoherent, is livelier, less absurd — and shorter.

A new work by Shobana Jayasingh at The Place last week continued her exploration of combining Indian and European ways of making dance. *The Making of Maps*, given on a double bill with a revised version of her *Configurations*, is less abstract in its patterning than that work.

It works well in the strong, percussive footwork, stamping out sharp rhythms; the arm

ers clasp hands and in the way the sub-divisions within the cast of five keep swapping their membership.

Jayasingh's choreography is based on developing traditional steps and some invented material into group patterns. It works well in the strong, percussive footwork, stamping out sharp rhythms; the arm

movements look thin and contrived by comparison.

She likes collaborating with composers and chooses western music this time, a tape of varied sounds by Alistair Mac Donald. But the incorporated sections of Indian music by R.A. Ramamani show how much her dances gain life from a definite rhythm.



East meets West: Shobana Jayasingh Dance Company

TELEVISION REVIEW: Richard Morrison on a new series from Mel and Griff

More gloom for the bus queues

Light entertainment is a strange name for something that induces gloom in the British population at least once nightly. Try listening to your local bus queues any morning. "EastEnders ain't been half as good since they got rid of that Dirty Den." "That new game show! Tell you what, bring back Nicholas Parsons." "Did you see them alternative comics on Channel 4? I reckon that you could get more laughs from a hernia."

I expect that our religious

leaders would maintain that this mass ritual of disappointment each evening is good for the soul. It teaches us stoicism: the ability to bear our awful prime-time television with patience.

Even so, last night's *Smiths* and *Jones* (BBC 1, the start of

their new series) made me sad, which was presumably not the intention. I can hear the bus queues now. "Mel and Griff weren't they funny on television in the Eighties?" Yes, they certainly were. But last night some of their pay-offs were so obvious that I guessed what they would be: several seconds before they happened. Either my wits are getting sharper or the boys need new scriptwriters, fast. I know it's not the former.

Griff tries to introduce the show while Mel is peeing off-stage. The joke is, he has still got his radio-mic on. Mel and Griff are zooming down one of those water slides at a swimming pool. But instead of landing them in the water, it leads straight into a builder's skip.

Griff is a workman unblocking a sewer; his rod goes right



Brave new world?

Every parent dreams of a perfect baby. Tomorrow in *The Times*, Aileen Ballantyne describes the new medical techniques that are bringing that dream ever closer to reality. Using the very latest screening tests, some as simple as a mouthwash, it is now possible to identify up to two thirds of all serious mental and physical handicaps in unborn children.

But with these advances come a whole new array of ethical dilemmas: will the dream turn into a nightmare?

Julian Barnes in Bulgaria

One of Britain's foremost writers, Julian Barnes has set his new novel, *The Porcupine*, somewhere in the Balkans, where a former communist leader is on trial. In Bulgaria, whose

How not to grasp Handel

Scottish Opera's new production of *Julius Caesar* is an appalling musical and theatrical travesty, says Rodney Milnes

Scottish Opera's new production of Handel's *Gilio Cesare*, sung in Brian Trowell's English translation, is to be shared with Ludwigshafen and Montpellier. It opened at the Theatre Royal, Glasgow, on Wednesday, and constituted one of the most offensive evenings I have spent in an opera house.

It was not so much Willy Decker's staging in decor by John Macfarlane that offended. Macfarlane's basic set, a yellow step-pyramid filling the entire stage, is rather fine; the various Euro-junk set-pieces that adorned it — graffiti or blood-daubed rooms, *Ubu*-style thrones and paper crowns — were less interesting and even with the use of a drop curtain necessitated pauses between scenes that are fatal in 18th-century opera. The costumes were punk-chic. We've seen it all before, but never mind.

Decker's production is equally old-fashioned. A passing reference to Kurt Jooss's *Green Table*, 60 years old, said it all — an exercise in passé post-expressionism with would-be "shocking" effects thrown in. The hysterical characterisation was calculated to diminish those taking part in the action, certainly to eliminate any heroic content.

Cesare was a posturing, silly-ass yuppie in a dinner jacket with a penchant for shoe-fetishism. Cleopatra a bald schoolgirl who made uncanny advances to Sextus, Ptolemy a psychopath with transvestite tendencies. Nireno was blind, tap-tapping with his stick and going to bed with Cleopatra at one point, and so on and so on.

This sort of juvenile blige may be the *demi* cri in the German provinces, but I imagine a civilised city like Montpellier may be less patient with it. It's the sort of production we grew out of here years ago.

Again, never mind. Handel's score can easily transcend all this ordure, but it is less able to withstand the musical assault mounted upon it. Those familiar with the OUP edition credited in the programme will scarcely have recognised it. Re-ordering of numbers is simply insolent: would a German producer dare re-order *Die Meistersinger*? More serious was the (uncredited) resoring. The opening of the overture made



Willi Decker's staging: a passé attempt to shock the audience

opera sound boring, and that is unforgivable.

Just as unforgivable was the waste of a potentially superb cast. Joan Rodgers is perfect in every way for Cleopatra: to make her sing most of "Piangerò" at the stage rather than the audience was just one instance of gross misuse of her.

Michael Chance, apart from having Caeser's character taken away from him, was required to sing too much of his music from way up-stage. Eirian James (Sextus) and Anne Mason (Cornelia) salvaged some moments of dignity, and Christopher Robinson did his usual number, but cubed, as Ptolemy. I don't know what opera that interesting artist Gidon Saks (Achilles) was singing in, but it certainly wasn't by Handel. What a shocking, offensive waste of talent.

VICTOR HOCHHAUSER
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POPULAR CLASSICS
NATIONAL SYMPHONY ORCHESTRA
Conductor DAVID COLEMAN Piano: JOHN BENHAM
Rossini: PIANO CONCERTO No. 2 in C MINOR
Rachmaninov: THE BLUE DANUBE WALTZ
Strauss: FAUSTIA ON GREENLEAVES
Vaughn Williams: ULVANA
Tchaikovsky: 1812 with Cannon & Mortar Effects
55.50 £12.50 £15 £17.50 £20

in rugby

THE TIMES FRIDAY OCTOBER 23 1992

RACING 45

Progressive Tinnyland can spark treble for Dunwoody

RICHARD DUNWOODY has sound prospects of landing a treble at Newbury today on Tinnyland, Travado and Mighty Mogul.

Tinnyland and Travado are trained by Nicky Henderson, and they looked in fine fettle when I saw them at Henderson's new Seven Barrows base recently.

The ground is right for Tinnyland, who is my choice to win the Glynnow International Handicap Chase, the day's most valuable race.

In his first season over fences Tinnyland took high rank when finishing second to Young Pokey in the James Capel Novices' Chase at Ascot and the Arkle Challenge Trophy at Cheltenham.

Sandwiched between those good performances over two miles was the first of his two victories gained at Kempton

MICHAEL PHILLIPS

over two-and-a-half miles, which is today's trip.

Top weight will be carried by Espy who won the corresponding race 12 months ago. As he has won first time out three times in the last four years, Espy clearly comes to hand easily.

However, I am more afraid of Space Fair who finished third in the Arkle, only two lengths behind Tinnyland.

Travado, my selection for the Leisure Thinking Sink Novices' Chase, was a good novice hurdler who has schooled well over fences. In hindsight, his trainer realises that he ran him in the wrong race at the National Hunt

Festival since he blatantly failed to get the trip over two-and-a-half miles in the Sun Alliance Hurdle in which Ashfield Copse was his main rival now, finished third.

With the exception of None So Brave, the principal runners for the Flavel-Lesisure Four-Year-Old Hurdle have all had a recent run on the Flat to put them right after their summer's rest.

Staunch Friend, my selection, won well over today's course and distance last February and he also easily accounted for the Triumph Hurdle winner Duke of Monmouth at Punchestown in the spring.

There will also be a jumping flavour at today's Doncaster Flat meeting when Morley Street, the champion hurdler in 1991, can collect the Doncaster Writers' Stakes.

Following Travado's performance, confidence in Mighty Mogul's ability to make a winning start to the season will be even greater.

Nicholson believes Mighty

Mogul, who looked a nice prospect last season when trained by Jenny Pitman, has not been punished by the handicapper even though he has to carry 11st 8lb here.

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Nicholson believes Mighty

Remittance Man triumphs after blunder

By MICHAEL SEELEY

REMITTANCE Man survived a heart-stopping blunder at the third fence from home to outclass Kings Fountain in the Desert Orchid South West Pattern Chase at Wincanton yesterday.

Having brought his record over fences to ten wins from 11 starts, the top-rated jumper is now firmly on target for an attempt to improve on his third to The Fellow in last year's King George VI Chase at Kempton.

"It was a combination of over-exuberance and blowing up at the same time," said Richard Dunwoody. "I left it to him and he got a bit low."

Henderson: Huntingdon is next objective

death of Colonel Tommy Wallis, a director of Wincanton.

Always a cheerful, bustling and energetic figure, the "colonel" was an inveterate punter and my last recollection is of him breaking into a run on his way into Tattersalls to back Sayeedati to the Cheveley Stakes.

"The important thing now is to get Remittance Man to relax," said Nick Henderson, his trainer. "We are keen to get him switched off and settled so he can stay three miles."

The Peterborough Chase at Huntingdon on November 24 is a likely interim objective.

Everyone was deeply saddened to hear of the sudden

DONCASTER

MANDARIN

1.00 Dahyai.
1.30 Hob Green.
2.00 Tajihz.
2.30 Palacegate Sunset.
3.00 Moreley Street.
3.30 Kveton Kabooz.

3.90 MRS BARTON (nap).
4.00 Specified.
4.30 Ballymoneyboy.

Our Newmarket Correspondent: 1.00 DAHYAH (nap).

The Times Private Handicapper's top rating: 1.00 DAHYAH.

GOING: GOOD TO FIRM

DRAW: STRAIGHT COURSE, HIGH NUMBERS BEST; ROUND COURSE, LOW NUMBERS HAVE SLIGHT ADVANTAGE

1.00 EBF FLAXTON MAIDEN STAKES

(D-Y-O: £2,655; 2m 110yd) (5 runners)

1 (1) 0 CAVALLIER 17 (P) Let A Javis 9-0...
2 (2) 0 DUNLOP 17 (P) Let A Javis 9-0...
3 (3) 0 ENNER 17 (P) Let A Javis 9-0...
4 (4) 0 FIELD OF STARS 17 (S) Let A Javis 9-0...
5 (5) 0 MAJORITY (S) Let A Javis 9-0...
6 (6) 0 ROYAL EXECUTIVE (S) Let A Javis 9-0...
7 (7) 0 SPENCER'S REVENGE (S) Let A Javis 9-0...
8 (8) 0 STEPHEN WILLARD (S) Let A Javis 9-0...
9 (9) 0 TOLLINGWORTH GIRL (L) Let A Javis 9-0...
10 (10) 0 MASNA (S) Let A Javis 9-0...
11 (11) 0 NORTH CALL 22 (P) Let A Javis 9-0...
12 (12) 0 PEGASUS 17 (P) Let A Javis 9-0...
13 (13) 0 QUEENS CONSUL 17 (P) Let A Javis 9-0...
14 (14) 0 SHIRLEY ROSE (S) Let A Javis 9-0...
BETTING: 4-5 Dahyai, 5-1 Field of Stars, 10-1 Royal Executive, 12-1 Neasme, 14-1 others.

1991: GOOD TO FIRM

DRAW: STRAIGHT COURSE, HIGH NUMBERS BEST; ROUND COURSE, LOW NUMBERS HAVE SLIGHT ADVANTAGE

2.30 CANTLEY PARK SELLING NURSERY HANDICAP

(2-Y-O: £2,742; 1m 200yd) (20 runners)

1 (1) 0 34262 DOWTILLE 17 (M) Let A Javis 9-0...
2 (2) 0 34403 REASONG FOR LOVE 6 (F) Let A Javis 9-0...
3 (3) 0 44219 CHAMPIONESS 17 (M) Let A Javis 9-0...
4 (4) 0 44220 CROWN 17 (M) Let A Javis 9-0...
5 (5) 0 50012 PALACEGATE SUNSET 17 (S) Let A Javis 9-0...
6 (6) 0 51002 JODI BAILEYS 6 (S) Let A Javis 9-0...
7 (7) 0 50003 SCOTTERINA 37 (M) Let A Javis 9-0...
8 (8) 0 51005 INNOCENT ABROAD 17 (M) Let A Javis 9-0...
9 (9) 0 51006 KALUCH 11 (M) Let A Javis 9-0...
10 (10) 0 51007 INNOCENT ABROAD 17 (M) Let A Javis 9-0...
11 (11) 0 340429 ANN Hill 2 (M) Let A Javis 9-0...
12 (12) 0 340430 BRACKNELL 17 (M) Let A Javis 9-0...
13 (13) 0 340431 CROWN 17 (M) Let A Javis 9-0...
14 (14) 0 340432 CROWN 17 (M) Let A Javis 9-0...
15 (15) 0 340433 PALACEGATE SUNSET 17 (S) Let A Javis 9-0...
16 (16) 0 510045 MUSI PAYAZ 17 (S) Let A Javis 9-0...
17 (17) 0 510055 MUSI PAYAZ 17 (S) Let A Javis 9-0...
18 (18) 0 50001 TREPACHT 11 (S) Let A Javis 9-0...
19 (19) 0 50002 TREPACHT 11 (S) Let A Javis 9-0...
20 (20) 0 50003 MINISTER MAN 32 (S) Let A Javis 9-0...
21 (21) 0 50004 TREPACHT 11 (S) Let A Javis 9-0...
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GERALD DAVIES
ON THE GAME'S
LOST INNOCENCE

SPORT

FRIDAY OCTOBER 23 1992

TENNIS PAGE 46

WHY THE MALEEVAS
ARE PUTTING
BRITAIN TO SHAME

Tradition takes a knock as cricket throws pyjama party



MARTIN BEDFORD

WHEN it comes to strutting on the catwalk in coloured clothing, not even the Toronto Blue Jays would be a match for English cricketers (Ivo Tamman writes). Representatives from every county paraded around the Oval yesterday in shirts and trousers so gaudy and multi-coloured as to make Alec Bedser unsure whether to wince or smile. Such is the vivid face of the revamped Sunday League, to be sponsored by Axa Equity & Law.

"There is plenty of room for tradition and innovation within the game," Terry Blake, the Test and County Cricket Board's (TCCB) marketing manager, said upon introducing his models, and he was taken at his word. Be they sky blue or outrageous orange, the pyjamas are clearly here to stay. Until some county members see them, at any rate.

There was talk of making the game "more accessible in a fashion-con-

sious generation." This not from the sponsors, but the TCCB. The League will no longer feature anything so mundane as merely a game of cricket, for next year we are to have theatre-brunches, jazz barbecues, even creches. As the players wandered around looking as if they had hit parts as inmates on American prison farms, we were assured that Sundays would be great days out for the family.

White will be a defunct colour except

in one respect: the ball. And even that will have a black seam. The umpires will be decked out in light blue jackets and dark blue trousers. Each county will play 17 matches of 50 overs a side, starting at noon, with unlimited run-ups for bowlers. There will be four points for a victory and two points apiece for a tie. The break between innings, more postprandial than tea, will last from 3.10 to 3.30.

As for replica kits for supporters,

cricket has shamelessly bowed to the lead given by football. At £25.99 each, these outfitts will be available in the full colours of the unabashed first-class counties. Each opted for one of four designs commissioned by the TCCB and chose its own colour scheme. How valuable a source of income the gear proves to be will not be ascertained for a while. If replica sales help to spread the gospel as well as increasing revenue, then I think the game will have done well in promoting itself," Blake said.

The winners of the League next summer will receive £30,000, more than ever before, and the winners of each match will earn £375. Still to be resolved is whether or not to have a restrictive circle for fielders and target scores in the event of interruptions through the weather, as well as just what the players and public make of the whole jamboree.

Injury forces Steadman out of World Cup final

GRAHAM Steadman, the Great Britain full back, has been ruled out of the rugby league World Cup final against Australia at Wembley tomorrow after failing a fitness test on an injured ankle (Christopher Irvine writes).

Steadman will be replaced by Joe Lydon, of Wigan, who will start a game for Britain for the first time since July 1990. Lydon, 28, has won 29 caps but has not played in full back

Langer's big threat, page 44

Miserable time for goalkeeper in Cup Winners' Cup tie

Liverpool pay penalty as Grobbelaar sees red

Spartak Moscow 4
Liverpool 2

FROM DAVID MILLER
IN MOSCOW

JUST when it seemed that Liverpool were only six minutes away from a remarkable 2-2 draw in the first leg of the European Cup Winners' Cup second round, they toppled to disaster in Moscow last night. Their goalkeeper, Bruce Grobbelaar, was sent off, Spartak scored from the penalty, and they widened the margin in the final minute.

What a disaster this was for Liverpool after one of the bravest performances I can remember in all their European history. They could have been overwhelmed, and Spartak, the new Russian League champions, had the chances for six or more goals.

Yet Liverpool struck twice through Wright and McManaman to equalise, and they seemed to have ridden the handicap of losing Nicol from the centre of their defence with a grain strain diagnosed before the kick-off.

Wright, who had an outstanding match on the left of midfield, had hit the crossbar from 18 yards with a quarter of an hour remaining and Liverpool's spirits were sky high when McManaman, cutting in from an acute angle on the left, beat Cherchesov to make it 2-2.

It was the foulest possible night in the huge National

Stadium, scene of gold medal victories twelve years ago by Ovett, Coe, Wells and Thompson, but now there were 55,000 huddled together in continuous beating rain.

The noise and the passion on the terraces almost exceeded that on the pitch, whereby the second half had erased most of the players' numbers. Again and again, the stadium echoed to a crescendo of encouragement from Russian enthusiasts, who, for all their hardships, now let their feelings loose, never mind the weather, never mind their thousands of broken umbrellas that kept off little of the rain.

And the crowd was rewarded when Liverpool finally crashed. Radchenko, one of Spartak's two strikers who had constantly stretched Wright and Burrows — who had switched from full back to the left wing — dived to head wide. Then Wright, coming up for a corner by Walters, bundled the ball home with what was ear-splitting.

In the opening minutes of the match, Liverpool had looked ripe for a rout. Three times in as many minutes, Grobbelaar narrowly survived

Cambridge sack Beck

CAMBRIDGE UNITED dismissed John Beck, their manager, yesterday, two days after he had been linked with the vacant job at Preston North End (Peter Bell writes). Gary Peters, his assistant, was also dismissed.

Beck was one of the most controversial managers in the game and, for a time, one of the most successful, taking Cambridge from the fourth division to the brink of the Premier League.

His methods were not popular, however, as Cambridge's direct style won them few friends outside the PFA.

His idiosyncratic management approach also disillusioned some of his players. Beck made little secret of his desire to move on and Reg Smart, the Cambridge chairman, said: "Because of all the uncertainty within the club, it was in the best interests of everyone that John and Gary should leave the club."

At the end, angry Liverpool manager Graeme Souness was involved in a finger-waving incident with an official and appeared to be pulled away by coach Ronnie Moran as he glared at the referee.

SPARTAK MOSCOW: S. Chernakov, D. Kostylev, A. Cherchesov, V. Chirkov, V. Carp, A. Peretyatko, I. Ushchikov, D. Radchenko, M. Gorbunov, M. Marts, M. Wright, D. Burrows, R. Jones (sub: N. Turner), S. McManaman, M. Thomas, J. Radcliffe, D. Hutchison, M. Walker, I. Rum (sub: R. Lintern, Sweden).

Barclays withdraws sponsorship

BARCLAYS last night decided to end its six-year sponsorship of the Football League at the conclusion of the season after contributing £11.5 million in three-year terms.

The decision was confirmed by Bill Gordon, managing director of the Barclays Banking Division, who said: "Our decision to take up the sponsorship in 1987 was based solely on commercial reasons, with clear business objectives in mind."

"Over the past six seasons, these objectives have been fulfilled and we feel that the end of the current season is the most appropriate time to stand down from the sponsorship."

He added: "We have been delighted with our football involvement and our partnership with the Football League in establishing the single most successful sports sponsorship in the UK to date."

In August, first-half profit figures from Barclays confirmed that many in the City had feared as the recession

continued to bite. After setting aside over £1 billion for bad debts, Barclays reported a slump in profits before tax to £1 million for the first half of 1992, compared with profits of £378 million in the first half of 1991.

After tax, Barclays actually made a loss of £30 million in the first six months of 1992. It was only the second time in the bank's 300-year history that it had disclosed a deficit, and it was also the first time that Britain's biggest bank made a loss due to problems in its core United Kingdom operations. The bank's first-half results were accompanied with a gloomy prediction on prospects from Sir John Quinton, Barclays' chairman, who warned that the recession could go on for another two years.

Gordon McKeag, the league president, said he understood the reasons behind Barclays' decision and added: "I am confident that the range, quality and popularity of league football presents an unrivalled opportunity for a blue-chip sponsor, and I feel sure that the void will soon be filled."

McKeag praised Barclays for standing by the league after the top 22 clubs had left to join the Football Association's Premier League.

"It is typical of the bank's attitude that they have continued to support us during this difficult season and that they have given us the earliest possible notice of their decision, to enable us to negotiate a new sponsorship deal for next season."

The Football League, meanwhile, may soon find itself down a member. Cardiff City were yesterday urged to leave for the League of Wales.

The third division's club's financial controller, Rick Wright, claimed dropping out of the Football League to join the new Welsh set-up would be Cardiff's best move.

And the League of Wales

secretary, John Deakin, said:

"I don't see any future for Welsh clubs playing in the

English League — they are constantly being squeezed out from the top."

"More and more resources are being directed towards the top of the English pyramid. This is being reflected by the financial difficulties now being faced by clubs in the lower divisions."

"I firmly believe that the future of Welsh football must be generated from within Wales — and that means from within the League of Wales."

Wright will not make a final decision on the path Cardiff will take until early in the new year, but said that one of the reasons he is thinking of taking such a step is the possible setting up of a British or European super league within the next few years.

Deakin confirmed that any application from Cardiff to join the Welsh league would be looked at "favourably" and added: "We have always said that if the English league clubs change their minds, any application to join us would be looked at favourably."

Rodrigo De Triano sold to Japan

BY RICHARD EVANS, RACING CORRESPONDENT

RODRIGO De Triano is to join his stable companion, Dr Davies, at stud in Japan after a \$6.2 million deal agreed last night.

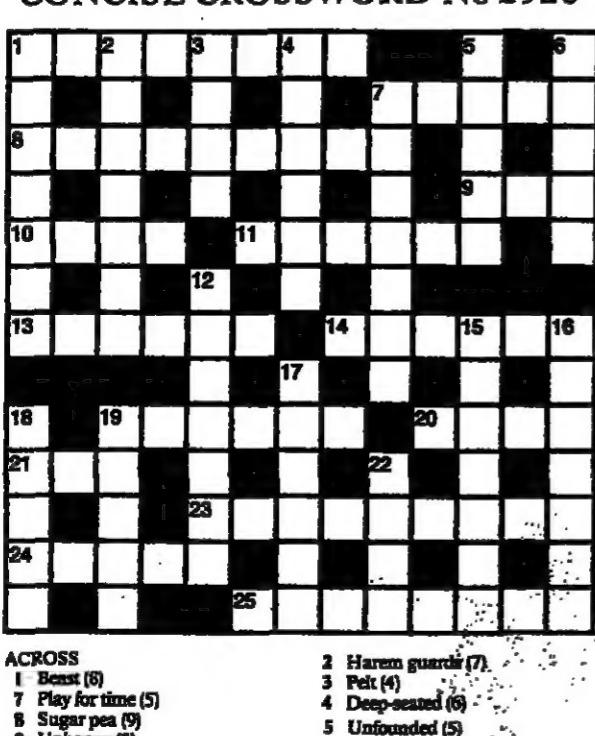
The purchase by the Japan Racing Association, whose income from the sport is in excess of £2 billion a year, stepped in three weeks ago with their offer. Sangster immediately let it be known to British and Irish racing interests that they could have the outstanding classic colt if they could match the bid.

Godolphin Stud, in which Sangster has a 33 per cent share, and the Newmarket-based National Stud frantically attempted to get a syndicate together to match the offer of the Japanese. But to no avail.

Sangster told me: "I sent a fax to Japan saying I would accept their offer at six o'clock. Their offer was open until midnight."

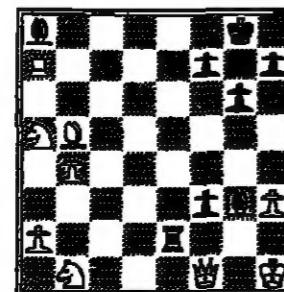
Racing, pages 44, 45

CONCISE CROSSWORD No 2926



SOLUTIONS TO NO 2925
ACROSS: 1 Benz (6); 2 Play for time (5); 3 Sugar pea (9); 4 Unhappy (3); 10 On an occasion (4); 11 Folk (6); 13 Struggle (6); 14 Tapioca source (6); 19 Established (6); 20 Edible mollusc (4); 21 Jolt (3); 23 Step in (9); 24 Scope (5); 25 Bewitched (6); DOWN: 1 Solace (7); 2 Permit 3 Blocking 4 Fold 5 Jeves 6 Poet 13 No doubt 14 Next door 16 Insert 17 Future 19 Horn 20 Peal

By Raymond Keene, Chess Correspondent



This position is from the game Vitolins — Sandler, USSR 1986. The good news for white is that he is a queen and a piece ahead. The bad news is that he is about to be mated. How? Solution below.

CROSSWORD ENTHUSIASTS: For mail order details of all Times Crossword Books and The Times Computer Crossword software for beginners or experts (runs on most PCs), telephone Alkom Ltd on 081 852 4575 Mon-Fri after 4pm or weekends. Postage free until Christmas (applies UK only).

Move 1 ... Rxf2+ 2 Kxf2 Qxf2# Extra points can only be gained by black forces

Lake



AUSTIN REED

*With code 10% off
FOR FURTHER DETAILS OR TO RECEIVE OUR BROCHURE FREEPHONE 0800 545 475
REGENT STREET, LONDON, W1
Open 7 days a week 9am-6pm